

Town of Trumbull
CONNECTICUT
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TOWN HALL
Trumbull

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**TOWN COUNCIL EDUCATION COMMITTEE & BOARD OF EDUCATION
AGENDA
JANUARY 25, 2021**

NOTICE is hereby given that the EDUCATION COMMITTEE of the Trumbull Town Council and the Board of Education will hold a joint meeting on Monday, January 25, 2021 at 7:30 p.m. via videoconference for the following purpose(s):

Joint Town Council Education Committee and Board of Education Meeting
Jan 25, 2021 7:30 PM (revised link)

Join the meeting online:

<https://zoom.us/j/96688865775?pwd=ZTZ5ZlNwanpUTDU3UVYrTXM5RUN5Zz09>

Webinar ID: 966 8886 5775

Password: 105251

Join by telephone: (301) 715-8592 or (833) 548-0282 (Toll Free) / Webinar ID: 966 8886 5775

-
1. RESOLUTION TC28-147: To consider and act upon a resolution which will accept the Town of Trumbull Education Department Operational Review for the FY 2018, FY 2019 and FY 2020.

DISCUSSION ITEM:

- Discussion- Gibson Report (2012)
- Status of Recommendations from Operational Review
- Plan and Timeline moving forward to address findings

RESOLUTION

1. RESOLUTION TC28-147: BE IT RESOLVED, That the Town of Trumbull Education Department Operational Review for the FY 2018, FY 2019 and FY 2020 is hereby accepted.

Town of Trumbull, CT
Education Department
Operational Review

Report on the Results of the
Procedures Performed

For the Periods July 1, 2017 to June 30, 2018,
July 1, 2018 to June 30, 2019
and July 1, 2019 to June 30, 2020

October 30, 2020



Town of Trumbull, Connecticut Education Department Operations Review

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Town of Trumbull, Connecticut Education Department Operations Review

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Scope of Services

Scope of Services

The requested scope of service was as follows:

1. We will review and analyze the Town Charter, ordinances and State Statutes as they relate to the Board of Education to determine compliance with related regulations.
2. We will perform a review of the accounting procedures as necessary to identify the current budgetary practices and internal financial controls and provide recommendations for best practices. Specifically, in the areas of purchasing, payroll and accounts payable, financial reporting, budget process, budget amendments and transfers, journal entries and systems utilization (Munis and Nova-time).
3. We will examine the Board of Education's records and financial reports and determine whether the total expenditures stayed within the amounts appropriated in the final adopted budget from fiscal years 2018 to present. Accounts specifically to be reviewed will include the following:
 - a. Health insurance coverage
 - b. Payroll for the general fund, lunch program and special revenue funds
 - This will specifically include paras, sub para, custodians, security guards and maintenance employees
 - We will determine how employees are hired, budgeted and what benefits were offered
 - Transportation for both public and private
 - c. Special Education Costs
 - d. Energy financing and utilities specifically as it relates to the financing with Bank of America. We will obtain and review the recently performed internal audit report that has been completed as a starting point.

We will obtain and review the purpose and status of any other loans entered into by the Board of Education, including TD Bank. We will also obtain and review any capital leases entered into by the Board of Education
 - e. Systems utilization (Munis, Nova-time)
4. We will perform accounting procedures as necessary to assess the accuracy of budgeted expenditures, appropriations and transfers and actual expenditures for the fiscal years 2018 to present.

Scope of Services

5. We will obtain an understanding of the current budgetary practices and internal financial controls of Trumbull Public Schools and identify opportunities for improvement.
6. If necessary, we will recommend additional procedures or changes to the scope of services that we believe should be performed or would provide the Town information that is requested in the scope of services. Any additional procedures will require written approval by the Town.

The additional procedures that were performed at the Town's request were as follows:

- a. Review of additional fiscal year activity for the energy project
 - b. Review of the claim by the City of Bridgeport regarding the amounts due from Trumbull Board of Education
 - c. Review of the "reserve for reallocation" budget line for the fiscal years 2018 through 2021
7. We will also make recommendations for opportunities to increase efficiency and upgrade to best practices.

Executive Summary

Executive Summary **Findings and Recommendations**

Below is an executive summary of the findings and recommendations by category. Each section of the report contains the results of the procedures and detailed analysis performed and related recommendations.

Budget Development, Management and Monitoring

Based upon our review, we noted that the District's current process for budget development, budget documentation, budget management and monitoring is not adequate.

We recommend that the District:

- A. Develop and implement a comprehensive budget development policy. The policy should address the following items:
 1. Budget format (overall, detail, supporting schedules, etc.)
 2. Types of required budget support for each significant area or type of expenditure (salaries, benefits, special education, transportation, etc.)
 3. Budget methodology for significant budget areas or types of expenditures and methodology for accounts that may not have budget support
 4. Requirement to provide and review at a minimum of 3 years of prior year actual expended amounts and require justification for budgeting less than the 3 year average
 5. Responsibilities of Department Heads and the Board of Education
 6. Capital replacement plan
 7. Prohibit the use of negative budget amounts to balance the budget
 8. Approval of and the use of special revenue funds and of any transfers that will support the annual operating budget

- B. Develop and implement a formal process for monitoring the changes in the District that have a significant impact on the budget. The three most significant areas that we noted need to be monitored on a real time basis are as follows:
 1. Salaries and benefits (new hires and terminations)
 2. Overtime
 3. Special Education Cost

Executive Summary **Findings and Recommendations**

Budget Development, Management and Monitoring

- C. Budget for known costs including extra sub paraprofessionals and retirement payout for vested sick time and other retirement benefits

Compliance

Based upon our review, we recommend that the District implement procedures to ensure compliance with:

- State Statutes regarding budget transfers
- Town Charter regarding the issuance of debt
- Town purchasing policy for quote and bid requirements

Financial Reporting

Based upon our review, we recommend that:

- The Board of Education receive and review financial information for all District activity on a monthly basis. The Board's current policy does not require the Board receive reports for the following funds:
 - a. School lunch fund
 - b. Grant fund
 - c. Transportation fund
- The Board receive monthly detailed reports (all accounts) from the District's financial software for the budget (budget and actual). If necessary, management can provide a supplemental report to support the review and discussion by the Board
- The Board formally approve any use of resources from other funds (special revenue funds, school lunch fund, etc.)

Special Education

Based upon our review, we recommend that the District:

- Formally document the amounts included in the proposed budget
- Revise its procedures for estimating and entering cost information into the State Department of Education excess cost system to be only the students expected to exceed the minimum threshold for reimbursement

Executive Summary **Findings and Recommendations**

Special Education

- Develop and implement a form be developed and implemented to estimate the total cost for identified excess cost students and to account for the actual cost of the student for audit purposes and final reporting to the State
- Develop and implement formal procedures to monitor special education costs and a formal process for communication to the Finance Department to adjust budget projections and actual budget lines as necessary

General Ledger and Accounting

Based upon our review and the procedures we performed, we recommend that the District:

- Properly record all transactions gross vs net in accordance with generally accepted accounting principles
- Properly recorded equipment financing notes principal and interest payments as debt service vs in equipment accounts (establish budget accounts)
- Record capital project fund activity in a separate capital project fund (financing) or submit the project to the Town for approval
- Record all education grants in the education grant fund vs netting against budgeted expenditures
- Implement procedures or additional training to ensure that purchases are recorded in the proper budget account
- That future projects be formally approved by the Town (capital project authorization).
- Consider revising/updating the current chart of accounts

Special Revenue Funds

Based upon our review and the procedures we performed, we recommend that the District:

- Properly monitor special revenue funds activity and limit expenditures charged to each program to the available balance. Any disbursements in excess of available funds should be charged to the education budget
- Develop and implement formal policies for each fund regarding the allowable use of each fund. Any amounts used for any purpose other than the activity of the fund should require formal Board of Education approval
- Develop a plan to eliminate the deficits for the remaining special revenue funds

Executive Summary **Findings and Recommendations**

Special Revenue Funds

- Review the current special revenue funds to determine:
 1. Whether the program should be reported as a special revenue fund or general fund budget line
 2. Whether funds with positive balances that are not restricted for a particular purpose can be used to address the funds with deficit fund balances
 3. Whether the fund should be recorded in another fund (THS funds)

Cafeteria Fund

- Review the process of budgeting amounts to be transferred from the Cafeteria fund and that any transfer be approved by the Board. Transfers should be dependent on the availability of fund balance.

Munis

Based upon our review, we recommend that the District:

- Review system rights for all employees to ensure that employees have the minimum rights that are necessary to complete their job function
- Restrict employees in the accounting department not have unrestricted administrative rights
- Provide access to the IT Director/Department to the Munis software system and the IT Department monitor log activity
- Review the current chart of accounts for compliance with the State of Connecticut uniform chart of accounts and for functionality and management reporting purposes
- Implement the use of the Human Resources Management module and employee self-serve functionality

Nova-time

We recommend that the District develop a strategy to identify a plan and the necessary resources required to complete the implementation. Automation of the payroll process will create efficiency and reduce potential errors as compared to entering data manually.

Executive Summary **Findings and Recommendations**

Internal Control Improvements

A. Purchasing

Based upon our review, we recommend that the District:

- Implement procedures to comply with the Town's purchasing policy requirements
- Comply with the District policy for requiring purchase orders for all purchases

We recommend that the Town conduct a formal detailed training for District employees on the requirements of the Town's purchasing policy.

B. Payroll/Human Resources

- Implement procedures to properly segregate duties regarding access to employee pay rates

C. Cash Receipts

- Implement procedures to recorded revenues based upon transactions and register reports or other supporting records vs the amount deposited

**Review of Town
Charter, Ordinances
and Education
Related State
Statutes**

Compliance with Charter, Ordinance and State Statutes Related to Education

Procedures

We reviewed the Town Charter, ordinances and State Statutes and determined the following items to be tested for compliance:

1. Purchasing
2. Budget transfers
3. Issuance of debt

1. Purchasing

Procedures

For the transactions tested for accounting procedures performed in item 4 of the scope of services, we requested a listing from the Town's Purchasing Department for all bids/RFP's that were issued by the Education Department to determine compliance with the Town's purchasing policy.

The Town's purchasing policy requires that all purchases over \$10,000 be properly bid, unless a bid waiver is approved.

Results of Procedures Performed

Based upon our testing, we noted the following:

Of the 48 transactions tested that we determined were required to be bid, 17 purchases were made without being bid in accordance with the Town's purchasing policy.

See the details of the transaction testing performed on **Exhibit 1**.

COS-1 Recommendation

We recommend that the Education Department immediately implement procedures to comply with the Town's purchasing policy.

COS-2 Recommendation

Due to the certain unique aspects of education related purchases, we recommend that the Town and District review the current purchasing policy and update the policy to address specific education related exemptions to the Town's purchasing requirements.

Compliance with Charter, Ordinance and State Statutes Related to Education

2. Budget Transfers

Background

Budget transfers are governed by Connecticut General Statutes 10-222 and Board policy.

“Except as provided in this subsection, any such board may transfer any unexpended or uncontracted-for portion of any appropriation for school purposes to any other item of such itemized estimate.

Boards may, by adopting policies and procedures, authorize designated personnel to make limited transfers under emergency circumstances if the urgent need for the transfer prevents the board from meeting in a timely fashion to consider such transfer.

All transfers made in such instances shall be announced at the next regularly scheduled meeting of the board and a written explanation of such transfer shall be provided to the legislative body of the municipality or, in a municipality where the legislative body is a town meeting, to the board of selectmen.”

Definition in the last paragraph of statute:

“**itemized estimate**” means an estimate in which broad budgetary categories including, but not limited to, salaries, fringe benefits, utilities, supplies and grounds maintenance are divided into one or more line items.”

Itemized estimate equates to object level or the nine budget categories used by the Board of Education.

The Board of Education’s non-emergency transfer policy is as follows:

- Under non-emergency circumstances, the Superintendent and the Business Manager have the authority to transfer funds between any budget object codes in an amount not to exceed \$25,000
- All non-emergency transfers over \$25,000 shall be reviewed by the Superintendent and the Business Manager to determine if the expenditures that would require such transfer are of a mandatory or discretionary nature
- Mandatory non-emergency transfers include, but are not limited to, those related to expenditures required by state statute, such as IEP or due process expenditures. The Superintendent or the Business Manager may authorize any mandatory non-emergency transfer over \$25,000, but shall provide a detailed report on any such transfer at the next Regular Meeting of the Board of Education

Compliance with Charter, Ordinance and State Statutes Related to Education

2. Budget Transfers

- All discretionary non-emergency transfers over \$25,000 require prior authorization from the Board of Education.

Procedures

- We reviewed the expenditure budget and actual report for the fiscal years 2018 through 2020 and noted the budget lines that had transfers. We then reviewed the minutes to determine if the transfers were properly approved.
- We reviewed the Board of Education policies and procedures for the approval and recording of budget transfers

Results of Procedures Performed

The results of our procedures regarding year end budget transfers are as follows:

- Based upon our review of the minutes, there were no budget transfers approved for fiscal years ended June 30, 2018 and June 30, 2019.
- The Board of Education is not in compliance with State Statutes 10-222 for budget transfers and the Board of Education budget transfer policy.
- Details of the procedures performed are included in **Exhibit 2**.

b. Fiscal Year Ended June 30, 2018

- For fiscal year ended June 30, 2018, we noted additional appropriations totaling \$90,418 to the Services - professional and technical object line for special education legal services.

We were unable to agree the transfer to the minutes to document proper approval.

- We noted that the original budget column in the general ledger did not agree to the June 30, 2018 audit report. The difference was \$1,399,582. The final budget did agree to the audit report
- We noted that 5 of the 8 objects were over expended. Over expenditure of budget objects is a violation of State Statutes and also violates the Board of Education policy number 3160 on budget transfers

**Compliance with Charter, Ordinance and
State Statutes Related to Education**

2. Budget Transfers

c. Fiscal Year Ended June 30, 2019

- There were no budget transfers noted.
- The actual amount for the transfer object line was \$1,517,861. This amount was the excess cost grant recorded as a credit to expenditures as allowed for budgetary purposes under state statutes. This amount should have been recorded against the appropriate special education budget lines that were over expended.
- We noted that 4 of the 9 objects were over expended. Over expenditure of budget objects is not allowed under state statutes and also violates the Board of Education policy number 3160 on budget transfers.

d. Fiscal Year Ended June 30, 2020

- We noted a total of \$122,700 of budget transfers recorded in the general ledger. Of the total, we agreed \$29,200 to proper approval in minutes. We were unable to find evidence in the minutes that the balance of the transfers were properly approved.
- We noted that 3 of the 9 objects were over expended. Over expenditure of budget objects is not allowed under state statutes and also violates the Board of Education policy number 3160 on budget transfers.
- The transfer object is a negative budget amount. This represents the anticipated excess cost reimbursement amount.

COS-3 Recommendation

We recommend that the District immediately begin complying with State Statutes and their policy regarding budget transfers.

COS-4 Recommendation

We recommend that if and when the Education Department records the excess cost grant as a credit to expenditures that the credit be posted to the overspent special education budget lines.

We also recommend that the excess cost grant be recorded in the grants fund so that all activity is presented gross in the financial statements.

Compliance with Charter, Ordinance and State Statutes Related to Education

3. Issuance of Debt

Background

The Town's Charter Section VI requires that the issuance of bonds be approved by the Board of Finance and Town Council.

The Town's Charter does not specifically address the issuance of other types of debt, but, generally, the authorization process to issue any type of debt would be the same as for the issuance of bonds.

We are unaware of any state statutes that allow an Education Department to issue debt without the Town's approval.

Procedures Performed

We reviewed the energy performance note payable (Bank of America note) and the TD Bank notes payable agreements.

Results of Procedures Performed

Based upon our review, we noted the following:

- The Bank of America note was approved by the Town and signed by the Town's Finance Director.
- The TD Bank notes payables (6) were not approved by the Town and were note agreement were by the Business Manager.

COS-5 Recommendation

We recommend that the Board of Education comply with the Town Charter and obtain proper authorization to issue notes (debt).

COS-6 Recommendation

We also recommend that the Town consider for the next charter revision updating of Section VI to address all types of debt issuances.

Trumbull Public Schools

**Summary of Results
Results of Education Budget Fund Disbursements Testing**

	2018	2019	2020	Total Tested
<u>Bidding</u>				
Subject to bid/quote requirements:				
Properly bid	9	13	9	31
Not properly bid	6	2	4	12
Not subject to bid requirements	30	22	30	82
Totals	45	37	43	125
<u>Purchase orders</u>				
Purchase order issued	18	21	20	59
No purchase order issued	27	16	23	66
Totals	45	37	43	125
<u>Proper account charged</u>				
Disbursement charged to appropriate account	36	33	32	101
Disbursement charged to incorrect account	9	4	11	24
Totals	45	37	43	125
Total amount charged to incorrect account	\$ 21,865	\$ 34,248	\$ 44,947	\$ 101,060
<u>Disbursement exceptions</u>				
Disbursements charged to incorrect period	2	-	1	3
Total amount charged to incorrect period	\$ 34,141	\$ -	\$ 79	\$ 34,220

Trumbull Public Schools

**Summary of Results
Budget Transfers Testing**

Budget Category	Object Code	Revised Budget	Actual	Difference	Transfer Amount
Fiscal year ended June 30, 2018					
Salaries	100	\$ 68,544,510	\$ 68,876,795	\$ (332,285)	\$ 36,200
Benefits	200	14,358,249	14,640,407	(282,158)	-
Services - professional and technical	300	1,390,419	1,343,731	46,688	90,418 (1)
Services property	400	1,727,885	1,819,927	(92,042)	(132,480)
Other purchased services	500	9,836,481	9,706,781	129,700	(39,200)
Supplies	600	3,043,030	2,487,529	555,501	(56,520)
Property	700	1,425,283	1,445,079	(19,796)	192,000
Debt service/other	800	97,739	102,123	(4,384)	-
Transfers	900	-	-	-	-
Total		\$ 100,423,596	\$ 100,422,371	(2) \$ 1,225	\$ 90,418
		Budget object over spent. State Statutes require that the Board of Education approve budget transfers between objects..			
	(1)	Special education legal services line			
Fiscal year ended June 30, 2019					
Salaries	100	\$ 70,695,966	\$ 71,320,483	\$ (624,517)	\$ -
Benefits	200	15,253,370	15,541,030	(287,660)	-
Services - professional and technical	300	1,445,939	1,381,054	64,885	-
Services property	400	1,743,564	2,035,072	(291,508)	-
Other purchased services	500	10,196,069	11,039,270	(843,201)	-
Supplies	600	2,645,581	2,482,135	163,446	-
Property	700	1,456,557	1,167,282	289,275	-
Debt service/other	800	99,681	88,262	11,419	-
Transfers	900	-	(1,517,861)	1,517,861	-
Total		\$ 103,536,727	\$ 103,536,727	(2) \$ -	\$ -
		Budget object over spent. State Statutes require that the Board of Education approve budget transfers between objects..			
	(2)	Agrees to audit report- Education operational expenditures			

Trumbull Public Schools

Summary of Results
Budget Transfers Testing

Budget Category	Object Code	Revised Budget	Actual	Difference	Transfer Amount
Fiscal year ended June 30, 2020					
Salaries	100	\$ 72,415,524	\$ 72,269,197	\$ 146,327	\$ (70,000)
Benefits	200	16,647,266	16,784,979	(137,713)	(20,000)
Services - professional and technical	300	1,423,993	1,287,332	136,661	-
Services property	400	1,608,640	1,787,733	(179,093)	-
Other purchased services	500	10,694,769	10,217,433	477,336	(32,700) (3)
Supplies	600	2,612,288	2,250,797	361,491	-
Property	700	1,561,986	1,432,463	129,523	-
Debt service/other	800	86,166	88,398	(2,232)	-
Anticipated surplus	900	122,700	-	122,700	122,700 (3)
Excess cost reimbursement	900	(1,055,000)	-	(1,055,000)	-
Total		\$ 106,118,332	\$ 106,118,332	\$ -	\$ -
		Budget object over spent. State Statutes require that the Board of Education approve budget transfers between objects			
	(3)	Budget transfers approved for \$29,200			

**Review of
Accounting
Procedures and
Internal Controls**

Review of Accounting Procedures and Internal Controls

Procedures

- We reviewed the accounting procedures as necessary to identify the current budgetary practices and internal financial controls and have provided recommendations for best practices for the following areas:
 - Purchasing
 - Payroll/Human Resources/Insurance and Benefits
 - Accounts payable
 - Cash Receipts
 - Financial reporting
 - System utilization of Munis
 - System utilization of Nova time
 - Journal entries

 - Budget process (See Review of Budget Development, Budget Transfers and Actual Expenditures section)

 - Budget amendments and transfers (See Compliance Section and Review of Budget Development, Budget Transfers and Actual Expenditures section)
- The review and evaluation was performed via interview of the District employee responsible for each area noted above and included review of relevant documents as applicable.

 - Recommendations are provided for each area listed above, if applicable

Review of Accounting Procedures and Internal Controls

Purchasing

Background

We tested compliance with the Town's purchasing policy in the Compliance with Charter, Ordinance and State Statutes Related to Education section.

PUR-1 Condition

Based upon the testing performed, we determined by review of the Town's bid and quote listings obtained for the Town Purchasing Department, that 12 of transactions that were appeared to be subject to bid requirements were not properly bid.

Recommendation

We recommend that the District immediately implement procedures to comply with the Town's purchasing policy.

PUR-2 Condition

Currently, not all departments are following the Board's policy requiring the use and approval of purchase requisitions/purchase orders for all purchases.

Recommendation

We recommend that the District immediately require the use of purchase requisitions and purchase orders to document the approval for all purchases in accordance with the Board's policy. This should include all purchases made with the District credit card.

Payroll

Background

In prior years, the Payroll Department consisted of 2 positions, The Payroll Supervisor and the Payroll Analyst. The payroll analyst position has been unfilled for the more than a year. For each time period, timesheets are entered into the payroll software and balanced. Most employees are paid via direct deposit and, therefore, a very limited number of actual checks are processed.

The Payroll Department has access to and enters employee pay rates.

The Payroll Department also processes unemployment claims.

Review of Accounting Procedures and Internal Controls

Payroll

PAY-1 Condition

Currently, the Payroll and Insurance Manager processes the payroll and has the ability to change employee pay rates.

Recommendation

We recommend that the Payroll and Insurance Manager be restricted from the rights to change employee pay rates. All employee rates should be updated by the Human Resources Department based upon authorized payroll change forms.

In addition, we recommend that a payroll change report be produced, reviewed and approved by the Human Resources Department to verify that all changes were authorized. The review and approval should be formally documented.

PAY-2 Condition

Currently, the payroll register is not reviewed and approved prior to the payroll being processed.

Recommendation

We recommend that the payroll register be reviewed and approved by the Business Office prior to the final processing.

PAY-3 Condition

Currently, the Payroll Department has an open position that is important to the proper functioning and internal controls of the department.

Recommendation

We recommend that the District consider filling the vacant position in order that the Department has the resources necessary to ensure proper and accurate payroll processing, allow for proper monitoring and to allow for proper internal controls. This will also allow for adequate cross training and back up for the position.

PAY-4 Condition

Currently, the Payroll Department processes unemployment claims.

Recommendation

We recommend that the Human Resources Department process unemployment claims with the necessary support provided by the Payroll Department.

Review of Accounting Procedures and Internal Controls

Payroll

PAY-5 Condition

Currently, the Payroll Department enters employee timesheets manually.

Recommendation

We recommend that the District implement procedures to automate entry of timesheets.

Human Resources

HR-1 Condition

Currently, the Human Resources Department does not enter employee pay rates and does not verify the changes to the payroll master file made by the Payroll Department.

Recommendation

We recommend that the Human Resources Department enter employee pay rates and pay rate changes. We also recommend that the payroll change report be produced, reviewed and approved by the Department. The review and approval should be formally documented.

HR-2 Condition

As part of our review of terminations and hires, we were provided a spreadsheet by the Human Resources Department that was used to document hiring and termination activity. The information on the spreadsheet was not complete with respect to the salary amounts.

Recommendation

We recommend that the Human Resources Department implement procedures to properly update all the information in the spreadsheet.

We also recommend that the spreadsheet be made available or sent to the Business Office for the purpose of monitoring the changes in the salary budget in order that requests for new positions can be properly evaluated.

We recommend that requests for new positions should only be approved if a funding source is identified.

Review of Accounting Procedures and Internal Controls

Human Resources

HR-3 Condition

Currently, the employee self-service function of the human resources software program is not being used.

Recommendation

We recommend the District implement the employee self-serve function of the software to create efficiency and timeliness.

Insurance and Benefits

IB-1 Condition

Currently, the Insurance and Benefits Coordinator controls the complete process for the billing, collection and updating of accounts receivable for retiree insurance billings.

Recommendation

We recommend that the process of billing, collection and updating accounts receivable records be properly segregated.

Accounts Payable

AP-1 Condition

During our testing we noted that not all vendor invoices are mailed to the Business Office.

Recommendation

We recommend that all invoices be mailed to the Business Office and not the schools or other departments.

AP-2 Condition

During our testing we noted the not all invoices were cancelled to prevent reprocessing.

Recommendation

We recommend that all invoices be cancelled to prevent the possibility of reprocessing.

Review of Accounting Procedures and Internal Controls

Accounts Payable

AP-3 Condition

Currently, are not secured before being picked up to be mailed.

Recommendation

We recommend that all invoices that are to be mailed be secured to ensure that they are not misappropriated.

Cash Receipts

CR-1 Condition

Currently, cash receipts for student activities, school lunch fund and athletics are recorded based upon the amount deposited.

Recommendation

We recommend that revenue be recorded, where possible, based upon a register report or other supporting documentation and that deposits be reconciled to the revenue amount recorded. For the school lunch program, a cash short and over account should be used to monitor any shortages.

CR-2 Condition

Currently, the Revenue Clerk is responsible for all of the accounting for the school lunch fund, recording revenues, cash receipts, accounts receivable and collections, and recording activity in the general ledger.

Recommendation

We recommend that the processing of billing, collections, recording activity in the general ledger, updating accounts receivable and preparation of the bank reconciliation be properly segregated.

Review of Accounting Policies and Procedures

CR-3 Condition

Currently, when monies are transmitted for deposit that are not in sealed bags, there is no counting of the monies in the presence of the employee transmitting the monies and no receipt is provided at the change in custody.

Recommendation

We recommend that when all monies are transmitted that the monies be counted in the presence of the employee transmitting the monies and that the employee be provided a receipt documenting the amount transmitted.

Financial Reporting

Background

The Board of Education is being provided a status report formatted in excel vs the expenditure budget and actual report from the general ledger software. This is the only financial status report the Board is currently provided.

The District's Policy 3453 states:

Finance Committee will review accounting reports on each special account at each regular meeting and then at the subsequent meeting of the full Board of Education.

Special accounts are identified in the policy as:

1. Student activity funds 100 accounts
2. Special revenue funds 205 accounts
3. Scholarship/award funds 300 accounts

FIN-1 Condition

Currently, the Board of Education is provided reports formatted in excel vs the expenditure budget and actual report from the general ledger software.

Recommendation

We recommend that the Board of Education be provided the complete expenditure budget and actual report from the general ledger software. Additional summarized reporting could also be provided as a supplement if it assists in the discussion.

Review of Accounting Policies and Procedures

Financial Reporting

FIN-2 Condition

Currently, the Board of Education is only provided a status report for the education budget. The Board's policy requires a review of each special account noted above.

Recommendation

We recommend that the District comply with the current policy and provided the Board of Education all the financial information required by their policy. We also recommend that the policy be updated to include reports for all financial activity of the District. This would include the following additional funds:

- School lunch fund
- Grant fund
- Transportation fund

Reports for other funds can be provided on a less frequent basis than monthly but should be no less than quarterly.

Munis Utilization

Background

The District uses Munis for its financial accounting system. The human resources management system is not currently being used.

Procedures Performed

- We obtained an understanding of the specific modules used in the District's operations
- We reviewed the process for adding new users and updating user permissions

Results of Procedures Performed:

Based upon our review, we noted the following:

- The IT Director does not have access to the Munis software.
- The positions that have administrative rights are as follows:
 1. Assistant Business Manager
 2. Insurance and Benefits Coordinator

Review of Accounting Policies and Procedures

Munis Utilization

- We noted that there were several former employees who were still noted as enabled. The employees have been subsequently disabled

MUNIS-1 Recommendation

We recommend that the IT Director have access to the Munis software system. This access should include administrative rights in order that activity can be monitored. In addition, it is a best practice that accounting department users not have administrative access for certain items and/or the logs for the user be reviewed and monitored on a periodic basis.

MUNIS-2 Recommendation

We recommend that system rights for all employees be reviewed to ensure that employees have the minimum rights necessary to complete their job function.

MUNIS-3 Recommendation

We recommend that the District review the current chart of accounts for compliance with the State of Connecticut uniform chart of accounts and for functionality and management reporting purposes.

We have made recommendations related to the District's budgeting practices and related chart of accounts in the Review of Budget Development, Budget Transfers and Actual Expenditures section.

Nova time Utilization

Background

The Town purchased Nova-time timekeeping system in December 2016 for both the Town and Education Department, including implementation costs. The Town implemented the software system, but the District implementation was not completed. The equipment and related software was installed, but the detailed employee information (salary, department, etc.) was not able to be completed due to lack of resources.

The vendor billed the District for the annual licenses for use of the software, but the software was not functional since the employee database had not been loaded. The District paid the vendor a total of \$110,738.52 over the period 2/26/2018 to 2/12/2019. It is unclear if the payments were made in error since the software was not operational.

Based upon review of the fiscal year 2020 and 2021 budgets by the Interim Business Manager, it was not determinable if payments for this annual license fee were budgeted.

Review of Accounting Policies and Procedures

Nova time Utilization

The invoice for 2020 for approximately \$55,000 has been paid after consultation with the District's attorney.

The contract with the vendor for the Nova time software is for a 5 year period beginning March 1, 2018.

NOVA-1 Recommendation

We recommend that the District develop a strategy to identify a plan and the necessary resource requirements to complete the implementation. Automation of the payroll process will create efficiency and reduce potential errors as compared to entering data manually.

Review of Financial Records and Reports

Review of Financial Records and Reports

Procedures Performed

We reviewed the Board of Education's records and financial reports and determine whether the total expenditures stayed within the amounts appropriated in the final adopted budget from fiscal years 2018 to present. Accounts specifically to be reviewed will include the following:

- a. Health insurance coverage
- b. Payroll for the general fund, lunch program and special revenue funds for the following positions:
 1. Para professionals
 2. Substitute para professionals
 3. Custodians
 4. Security guards
 5. Maintenance employees.

For each group we will determine how employees are hired, budgeted and what benefits were offered.

- c. Transportation both Public and Private
- d. Special Education Costs
- e. Energy financing and utilities specifically as it relates to the financing with Bank of America. We will obtain and review the recently performed internal audit report that has been completed as a starting point.
- f. We will obtain and review the purpose and status of any other loans entered into by the Board of Education, including TD Bank. We will also obtain and review any equipment finance notes issued or capital leases entered into by the Board of Education
- g. Munis and Nova-time utilization is included in the "Review of Accounting Policies and Procedures" section of the report.

Review of Financial Records and Reports

Health Insurance Coverage

Background

Health insurance is budgeted net of employee contributions. The District accounts for the employee contributions in an expenditure account which offsets the total cost of insurance.

In addition to the General Fund, the following funds/programs pay for the cost of medical, dental and social security for the employees who work for the program:

- Cafeteria Fund
- Summer Explorations program
- Continuing Education program

Procedures:

- We reviewed the expenditure reports for other funds to identify other funds that had expenditure amounts for employee benefits.
- We reviewed the budget, budget support available and the actual expenditures for the fiscal years 2018 through 2020.

Results of Procedures Performed

The result of the procedures performed are detailed in **Exhibit 3**:

Employee Benefits

- Based upon our review of expenditure reports, we noted that the following funds has expenditure amounts for employee benefits for the fiscal year ended June 30, 2020:

Summer Explorations	\$	4,911
Continuing Education		4,911
Education Grants		<u>10,709</u>
Total	\$	<u>20,531</u>

Review of Financial Records and Reports

Health Insurance Coverage

Results of Procedures Performed

Budget Support

- We compared the budget support to the adopted budget and actual expenditures for fiscal years 2018 through 2020.

Budget Process Analysis
Medical and Dental Insurance
For the Fiscal Years Ended June 30, 2018, 20189 and 2020

<u>Fiscal year ended June 30,</u>	<u>Budget</u>	<u>Budget Support</u>	<u>Difference</u>	<u>Actual</u>	<u>Variance</u>
<u>2018</u>					
Medical and dental insurance	\$ 16,305,286	\$ -	\$ 16,305,286	\$ 16,229,443	\$ 75,843
Less employees contributions	(3,886,827)	-	(3,886,827)	(3,586,808)	(300,019)
Net medical and dental insurance	<u>\$ 67,815,885</u>	<u>\$66,021,329</u>	<u>\$ 12,418,459</u>	<u>\$ 12,642,635</u>	<u>\$ (224,176)</u>
<u>2019</u>					
Medical and dental insurance	\$ 16,664,459	\$ -	\$ 16,664,459	\$ 17,173,354	\$ (508,895)
Less employees contributions	(3,422,000)	-	(3,422,000)	(3,689,426)	267,426
Net medical and dental insurance	<u>\$ 67,815,885</u>	<u>\$66,021,329</u>	<u>\$ 13,242,459</u>	<u>\$ 13,483,928</u>	<u>\$ (241,469)</u>
<u>2020</u>					
Medical and dental insurance	\$ 18,477,407	\$18,163,437	\$ 313,970	\$ 18,494,809	\$ (17,402)
Less employees contributions	(3,874,498)	-	(3,874,498)	(3,928,816)	54,318
Net medical and dental insurance	<u>\$ 67,815,885</u>	<u>\$66,021,329</u>	<u>\$ (3,560,528)</u>	<u>\$ 14,565,993</u>	<u>\$ 36,916</u>

- We were not able to obtain the budget support for fiscal years 2018 and 2019.
- We obtained the budget support for the fiscal year 2020 budget for the estimated total cost of insurance. There was no support for the employee contribution amount included as the offset to determine the estimated net cost to the District.

Review of Financial Records and Reports

Health Insurance Coverage

The schedule we obtained contained the Continuing Education program employee and the Cafeteria program employees. We requested that the District identify the Continuing Education and Cafeteria program employees on the schedule. Based upon the information received, we updated the budget support as follows:

Total Estimated Medical and Dental Costs	\$ 18,616,298
Less Estimate for Cafeteria program employees	(441,237)
Less Estimate for Continuing Education employee	<u>(11,624)</u>
Estimated amount to be paid from general fund	<u>\$ 18,163,437</u>

The actual amount charged to the Cafeteria and Continuing Education programs for the fiscal year ended June 30, 2020 was as follows:

Cafeteria program	\$ 486,585
Continuing education program	4,911

- We noted that for the Cafeteria Fund for fiscal years 2016 and 2017, there were no employee contributions recorded in the fund for health and dental insurance. Employee contributions were record for fiscal years 2018 through 2020. See **Exhibit 8**.

HIC-1 Recommendation

We recommend that the budget support document the employees/amounts charged to other funds and the net amount to be charged to the Education budget.

HIC-2 Recommendation

We recommend that the budget support document include a calculation of the estimated employee contributions by fund/program.

HIC-3 Recommendation

We recommend that the employee contributions be recorded as a general fund liability vs as a credit to the expenditure budget. Payment of the medical and dental invoices should recoded first to zero out the withholding account with the balance of the invoice recorded as a District expenditure.

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Background

We requested information for the Human Resources Department for the period July 1, 2017 through June 30, 2020 for employee hires and terminations.

We were informed that there has been 39 extra/substitute paraprofessionals that are employed by the District that are not included in the budgeted expenditures.

The following funds are also charged for the salaries for employees who work in the program/grant:

Cafeteria Fund
Grants Fund
Special Revenue Funds
Transportation Fund

For the Special Revenue fund, payroll is charged for the following programs:

Driver's education	Elementary strings
Athletics	Building use
PPS medical program	Interdistrict
Summer explorations	Open choice
Continuing education	

Procedures Performed:

- We reviewed payroll charges for the general fund, lunch program and special revenue funds.
- For the following positions we will determine how employees are hired, budgeted and what benefits were offered:
 1. Para professionals
 2. Substitute paraprofessionals
 3. Custodians
 4. Security guards
 5. Maintenance employees
- We requested detailed information on the number of substitute paraprofessionals for the fiscal years 2018 through 2020.

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Results of Procedures Performed:

Special Revenue Fund Salaries

We reviewed the special revenue fund salaries charged to each program for the fiscal years 2018 through 2020. The results of our analysis is detailed in **Exhibit 3**.

Cafeteria Salaries

- The cafeteria program is charged for employee salaries.
- We noted that the Cafeteria Fund was charged for the lunch room aides/monitors for fiscal year 2017 as part of the \$284,296 charge back from the general fund (**Exhibit 9**). For 2018 through 2020 the cafeteria fund was charged directly for those employees. Currently, the lunch room aides/monitors report to the principal of each school and not the Cafeteria Manager.

Analysis of Hires and Terminations

We obtained a spreadsheet with information regarding the hiring and termination from the Human Resources Department for the period July 1, 2017 through June 30, 2020. The spreadsheet was incomplete for some of the hires/terminations with respect to the salary information. Where information was not available, we used an average for similar positions on the spreadsheet. Details of this analysis are presented on **Exhibit 4**.

Substitute Paraprofessionals

Based upon the information provided by the Human Resources Department regarding the substitute paraprofessionals we noted the following:

- The number of substitute paraprofessionals varies throughout the year based upon the District's needs.
- The number of substitute paraprofessionals for the fiscal years 2018 through 2020 was as follows:

	<u>Beginning of the Year</u>	<u>End of the Year</u>
2018	12	24
2019	21	32
2020	40	37

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

PAY-1 Recommendation

We recommend that the District review the use of lunch room monitors/aides and formalize their job description. We also recommend that the lunch room monitors/aides report to the Cafeteria Manager in order to ensure that they are efficiently and effectively utilized to support the program.

If these employees are performing tasks for the school principals, that time must be charged to the general fund since it would not be an allowable cost of the program.

Paraprofessional Salaries

- Paraprofessionals are budgeted in each school's budget. Substitute paraprofessionals are budgeted in the Superintendent's budget (as are all substitute positions).

PAY-2 Recommendation

We recommend that the District budget all non teachers related substitutes in the proper department

- Extra/substitute para professionals work 32.5 hours per week for 39 weeks per year. The estimated payroll for fiscal year 2020 was not available. The salaries are charged to the budget line PPS-admin instruction paras. These paras **do not** receive any benefits.

Results of Procedures Performed:

The budget and actual activity for this budget line for the fiscal years 2018 through 2020 was as follows:

Substitute and Extra time Paraprofessionals For the Fiscal Years Ended June 30, 2018, 2019 and 2020

<u>Fiscal Year Ended June 30</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>2018</u>				
Super - Substitute paras	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 225,677</u>	<u>\$ (65,677)</u>
PPS-D/W - Para Xtra-time	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 101,061</u>	<u>\$ (41,061)</u>
<u>2019</u>				
Super - Substitute paras	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ 163,568</u>	<u>\$ 21,432</u>
PPS-D/W - Para Xtra-time	<u>\$ 52,046</u>	<u>\$ 52,046</u>	<u>\$ 306,085</u>	<u>\$ (254,039)</u>
<u>2020</u>				
Super - Substitute paras	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 84,800</u>	<u>\$ 115,200</u>
PPS-D/W - Para Xtra-time	<u>\$ 52,016</u>	<u>\$ 137,016</u>	<u>\$ 441,582</u>	<u>\$ (304,566)</u>

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Consistent with what has been previously identified, the District has not adequately budgeted for the extra/substitute paraprofessionals, nor have budget transfers been recommended when amounts exceeded the budget.

PAY-3 Recommendation

We recommend that the District budget be developed to include estimates for all known employees. Prior year actual amounts should be considered when developing the current year budget. When needs change, budget transfers should be requested prior to budget lines being over expended.

Results of Procedures Performed:

Custodians

For custodians we reviewed the budget activity by account for the fiscal years 2018 through 2020 which is detailed below:

Custodians					
For the Fiscal Years Ended June 30, 2018, 2019 and 2020					
<u>Fiscal Year ended</u> <u>June 30</u>	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Support</u>	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>2018</u>					
Regular salaries	\$ 2,354,205	\$ 2,608,452	\$ 2,425,262	\$ 2,417,109	\$ 8,153
Overtime	46,031	-	46,031	74,274	(28,243)
Overtime admin/schedule	76,056	-	76,056	97,154	(21,098)
Snow removal	20,000	-	20,000	42,340	(22,340)
Custodial help	18,000	-	18,000	6,143	11,857
Custodial night division	10,500	-	10,500	9,427	1,073
Total	2,524,792	2,608,452	2,595,849	2,646,447	(50,598)
<u>Personnel office budget</u>					
Custodian substitutes	22,000	-	22,000	52,636	(30,636)
Total	\$ 2,546,792	\$ 2,608,452	\$ 2,617,849	\$ 2,699,083	\$ (81,234)

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Results of Procedures Performed:

Custodians

Custodians					
For the Fiscal Years Ended June 30, 2018, 2019 and 2020					
Fiscal Year ended June 30	Original Budget	Budget Support	Revised Budget	Actual	Variance
<u>2019</u>					
Regular salaries	\$ 2,629,183	\$ 2,629,183	\$ 2,629,183	\$ 2,515,500	\$ 113,683
Overtime	46,031	-	46,031	55,365	(9,334)
Overtime admin/schedule	76,056	-	76,056	101,054	(24,998)
Snow removal	20,000	-	20,000	25,191	(5,191)
Custodial help	18,000	-	18,000	5,926	12,074
Custodial night division	10,500	-	10,500	9,112	1,388
Total	2,799,770	2,629,183	2,799,770	2,712,148	87,622
<u>Personnel office budget</u>					
Custodian substitutes	22,000	-	22,000	\$ 77,123	(55,123)
Total	\$ 2,821,770	\$ 2,629,183	\$ 2,821,770	\$ 2,789,271	\$ 32,499
<u>2020</u>					
Regular salaries	\$ 2,742,813	\$ 2,772,813	\$ 2,742,813	\$ 2,602,591	\$ 140,222
Overtime	42,000	-	42,000	49,591	(7,591)
Overtime admin/schedule	70,001	-	70,001	72,382	(2,381)
Snow removal	21,000	-	21,000	13,509	7,491
Custodial help	6,000	-	6,000	6,514	(514)
Custodial night division	11,000	-	11,000	6,633	4,367
Total	2,892,814	2,772,813	2,892,814	2,751,220	141,594
<u>Personnel office budget</u>					
Custodian substitutes	22,000	-	22,000	53,205	(31,205)
Total	\$ 2,914,814	\$ 2,772,813	\$ 2,914,814	\$ 2,804,425	\$ 110,389

- We noted that for 2018 overtime costs caused the total budget to be overspent. For 2019 and 2020 overtime time costs also exceeded the budget, but the total budget was underspent.
- For 2019 and 2020, regular salaries were both underspent by over \$100,000. Per review of the salary budget development worksheets (budget support) we noted the following:

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Results of Procedures Performed:

Custodians

- 2018 budget support was \$254,247 greater than the adopted budget, but the fiscal year ended with a positive variance of \$8,153
- 2019 budget support was the same as the adopted budget and the budget variances was \$113,683
- 2020 budget support was \$30,000 more than the adopted budget and the budget variance was \$140,222
- It is not clear why it is necessary to budget snow removal, custodial help and custodial night division in separate lines as they are not significant amounts.

PAY-4 Recommendation

We recommend that custodian regular salary budget calculation be reviewed to determine that the budget support and adopted budget are being correctly calculated.

PAY-5 Recommendation

We recommend that remaining salary accounts in the above analysis be reviewed to determine whether they are needed to be accounted for separately.

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Police

For Police we reviewed the budget activity by account for the fiscal years 2018 through 2020 which is detailed below:

Police				
For the Fiscal Years Ended June 30, 2018, 2019 and 2020				
<u>Fiscal Year ended June 30</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>2018</u>				
THS-Admin - Police	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 104,975</u>	<u>\$ (39,975)</u>
<u>2019</u>				
THS-Admin - Police	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 108,141</u>	<u>\$ (38,141)</u>
<u>2020</u>				
THS-Admin - Police	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 75,590</u>	<u>\$ (10,590)</u>

- We noted that for all years the police line was overspent. For fiscal year end 2020 the amount was less than prior years due to the school closure due to COVID 19.

PAY-6 Recommendation

We recommend that the prior year's actual expenditures (3 year average) be considered before adopting the budget amount for police.

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Results of Procedures Performed:

Security Guards

For security guards we reviewed the budget activity by account for the fiscal years 2018 through 2020 which is detailed below:

Security Guards					
Plant Administration Department					
For the Fiscal Years Ended June 30, 2018, 2019 and 2020					
<u>Fiscal Year ended June 30</u>	<u>Original Budget</u>	<u>Budget Support</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>2018</u>					
Security Guards	\$ 546,900	\$ 553,300	\$ 560,723	\$ 547,347	\$ 13,376
Security Guards - overtime	-	-	-	128,927	(128,927)
Total	<u>\$ 546,900</u>	<u>\$ 553,300</u>	<u>\$ 560,723</u>	<u>\$ 676,274</u>	<u>\$ (115,551)</u>
<u>2019</u>					
Regular salaries	\$ 576,158	\$ 559,158	\$ 576,158	\$ 633,869	\$ (57,711)
Overtime	55,000	-	55,000	119,565	(64,565)
Total	<u>\$ 631,158</u>	<u>\$ 559,158</u>	<u>\$ 631,158</u>	<u>\$ 753,434</u>	<u>\$ (122,276)</u>
<u>2020</u>					
Regular salaries	\$ 664,353	\$ 689,353	\$ 664,353	\$ 661,357	\$ 2,996
Overtime	74,000	-	74,000	93,965	(19,965)
Total	<u>\$ 738,353</u>	<u>\$ 689,353</u>	<u>\$ 738,353</u>	<u>\$ 755,322</u>	<u>\$ (16,969)</u>

- Overtime was not budgeted in fiscal year 2018 and under budgeted in fiscal years 2019 and 2020.
- The budget support was higher than the adopted budget for each of the 3 fiscal years, but the actual amount was less than budgeted

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Results of Procedures Performed:

Security Guards

PAY -7 Recommendations

Overtime budget estimates should be properly supported.

In addition, overtime should be properly monitored and controlled and if the District's staffing needs change a transfer request should be made before the budget is over expended.

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Results of Procedures Performed:

Maintenance Employees

For maintenance employees we reviewed the budget activity by account for the fiscal years 2018 through 2020 which is detailed below:

Maintenance Employees For the Fiscal Years Ended June 30, 2018, 2019 and 2020

Fiscal Year ended June 30	Original Budget	Budget Support	Revised Budget	Actual	Variance
<u>2018</u>					
Regular salaries	\$ 660,417	\$ 706,455	\$ 660,417	\$ 647,943	\$ 12,474
Overtime	13,362	-	13,362	11,194	2,168
Overtime	-	-	-	921	(921)
Summer groundsman	55,000	-	55,000	39,226	15,774
Total	<u>\$ 728,779</u>	<u>\$ 706,455</u>	<u>\$ 728,779</u>	<u>\$ 699,284</u>	<u>\$ 29,495</u>
<u>2019</u>					
Regular salaries	\$ 707,349	\$ 707,349	\$ 707,349	\$ 701,416	\$ 5,933
Overtime	13,362	-	13,362	41,320	(27,958)
Overtime	-	-	-	1,527	(1,527)
Summer groundsman	55,000	-	55,000	41,006	13,994
Total	<u>\$ 775,711</u>	<u>\$ 707,349</u>	<u>\$ 775,711</u>	<u>\$ 785,269</u>	<u>\$ (9,558)</u>
<u>2020</u>					
Regular salaries	\$ 744,210	\$ 744,210	\$ 744,210	\$ 735,939	\$ 8,271
Overtime	13,200	-	13,200	22,221	(9,021)
Overtime	-	-	-	550	(550)
Summer groundsman	35,000	-	35,000	39,389	(4,389)
Total	<u>\$ 792,410</u>	<u>\$ 744,210</u>	<u>\$ 792,410</u>	<u>\$ 798,099</u>	<u>\$ (5,689)</u>

- Budget support for 2018 was greater than the adopted budget but the actual was less than amount budgeted. The amount budgeted for fiscal years 2019 and 2020 agreed to the budget support.
- Overtime was properly budgeted in fiscal year 2018 and under budgeted in fiscal years 2019 and 2020

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Results of Procedures Performed:

Maintenance Employees

PAY -8 Recommendations

- Overtime budget estimates should be properly supported.
- In addition, overtime should be properly monitored and controlled. If the District's needs change a transfer request should be made before the budget is over expended.
- It is unclear why there are 2 overtime accounts in the maintenance budget that have amount charged to them. Only one account has a budget. We recommend that only one account be used to ensure proper budgetary control.

Benefits Provided by Contract

We reviewed the Districts union contracts to identify the benefits provided to each employee group reviewed above. The benefits provided are detailed in the schedule below:

Benefits Provided by Employee Group				
Benefit Description	Custodian/ Maintenance/ Security Guards	Para- Professionals	School Lunch	Substitute Para- Professionals
Vacation	Yes	No	No	No
Sick time	Yes	Yes	Yes	No
Personal time	Yes	Yes	Yes	No
Funeral leave	Yes	Yes	Yes	No
Longevity	Yes	Yes	Yes	No
Medical and dental benefits	Yes	Yes	Yes	No
Life insurance	Yes	Yes	Yes	No
Pension	Yes	Yes	Yes	No

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

Results of Procedures Performed:

Special Revenue Funds

We reviewed the expenditure detail for the Special Revenue Funds for the fiscal years 2018 through 2020 and total the salary and health benefit amount charged to the fund. We noted that the employer share of FICA/Medicare was also charged to the programs that had payroll.

A summary of the amount paid by fiscal year is below:

Trumbull Public Schools						
Special Revenue Funds						
Summary of Salaries and Benefits						
For the Fiscal Years Ended June 30, 2018, 2019, and 2020						
		2018		2019		2020
Salaries	\$	1,061,494		1,119,608	\$	840,951
Benefits		9,079		9,151		9,822

The details of amount charged to each program can be found in **Exhibit 3**.

Retirement Savings

We noted that the District has a negative budget labeled “retirement savings”. This amount is reducing the total salaries object budget.

Budget Process Analysis Retirement Savings For the Fiscal Years Ended June 30, 2018, 2019 and 2020

Fiscal year ended June 30	Adjusted Budget	Budget support	Difference	Actual	Variance
2018	\$ (370,000)	\$ -	\$ (370,000)	\$ -	\$ (370,000)
2019	(300,000)	-	(300,000)	-	(300,000)
2020	(420,000)	-	(420,000)	-	(420,000)

Review of Financial Records and Reports

Payroll for the General Fund, Lunch Program and Special Revenue Funds

PAY -5 Recommendations

We recommend that the District implement procedures to document and track savings in the salary budget due to retirements. This will provide the District the information necessary to be able to properly estimate and budget this amount.

Review of Financial Records and Reports

Transportation - Public and Private

Background

Transportation costs are procured through the use of competitive bidding and a multi-year contract. Transportation cost are generally accounted for in two categories:

- Regular transportation (including extracurricular transportation (sports and field trips))
- Special Education transportation

Procedures Performed:

We reviewed the transportation budget, budget support and actual expenditure amounts for the fiscal years 2018 through 2020.

Results of Procedures Performed:

The results of our procedures are detailed below:

Budget Process Analysis
Transportation
For the Fiscal Years Ended June 30, 2018, 2019 and 2020

<u>Fiscal year ended June 30,</u>	<u>Revised Budget</u>	<u>Budget Support</u>	<u>Difference</u>	<u>Actual</u>	<u>Variance</u>
<u>2018</u>					
Regular	\$ 3,341,073	\$ -	\$ 3,341,073	\$ 3,403,772	\$ (62,699)
Special Education	1,535,700	-	1,535,700	1,519,900	15,800
Total transportation	<u>\$ 4,876,773</u>	<u>\$ -</u>	<u>\$ 4,876,773</u>	<u>\$ 4,923,672</u>	<u>\$ (46,899)</u>
<u>2019</u>					
Regular	\$ 3,660,369	\$ -	\$ 3,660,369	\$ 3,632,708	\$ 27,661
Special Education	1,843,460	-	1,843,460	2,039,818	(196,358)
Total transportation	<u>\$ 5,503,829</u>	<u>\$ -</u>	<u>\$ 5,503,829</u>	<u>\$ 5,672,526</u>	<u>\$ (168,697)</u>
<u>2020</u>					
Regular	\$ 3,712,806	\$ -	\$ 3,712,806	\$ 3,631,727	\$ 81,079
Special Education	1,867,000	-	1,867,000	1,849,183	17,817
Total transportation	<u>\$ 5,579,806</u>	<u>\$ -</u>	<u>\$ 5,579,806</u>	<u>\$ 5,480,910</u>	<u>\$ 98,896</u>
Amount recorded in grants fund charged to excess cost grant				<u>\$ 554,223</u>	

Review of Financial Records and Reports

Transportation - Public and Private

Results of Procedures Performed:

- We noted that that was no budget support for the transportation amounts available for our review.
- We noted that for fiscal years 2019 the special education transportation budget was over spent by \$196,358.
- We noted that the education budget was credited by \$1,517,861 in a separate unbudgeted account for the excess cost grant in fiscal year 2019. A portion of the excess cost grant would should have been allocated to the special education transportation costs budget line as it was in fiscal year 2018.
- For fiscal year 2020, the excess cost grant was recorded in the grants fund totaling \$1,419,318, \$554,223 of which was for special education transportation costs.

TRP-1 Recommendation

We recommend that the budget support be developed and retained for regular transportation to ensure adequate amounts are budgeted based upon projected enrollment and contract rates.

TRP-2 Recommendation

We recommend that the budget support be developed and retained for special education transportation costs to ensure adequate amounts are budgeted based upon known special education requirements and contract rates.

TRP-3 Recommendation

We recommend that when the excess cost grant is received by the District that the grant be recorded in the Grants Fund along with the related special education costs (tuition, transportation, etc.) for the same amount.

Review of Financial Records and Reports

Special Education Costs

Background

Special education costs often have significant volatility year to year due the possibility that additional high cost students may enroll in a District school after the budget has been approved. This may impact the amounts budgeted for both tuition and transportation.

It should be noted that special education costs include a significant number of student who do not meet the excess cost reimbursement threshold.

The excess cost grant provided to the Town is a reimbursement grant for special education students with costs that exceed 4.5 times the District per pupil cost. The costs are reported and updated to the State Department of Education through the SEDAC G form/system. This grant is provided to the Town based upon the cost information entered into the system by June 30. Any errors in the cost information identified as part of the finalizing the form by September 1 each year or identified by during the audit process are adjusted by the State through the Education Cost Sharing Grant (ECS) in the subsequent year.

Procedures Performed:

- We reviewed the special education budget, budget support and actual expenditure amounts for the fiscal years 2018 through 2020
- We reviewed the excess cost reimbursement reports for fiscal years 2018 through 2020
- We requested historical data for the number of students classified as special education students for the fiscal years 2018 through 2020

Results of Procedures Performed:

The results of our procedures are detailed below:

Review of Financial Records and Reports

Special Education Costs

Budget Analysis

**Budget Process Analysis
Special Education Tuition
For the Fiscal Years Ended June 30, 2018, 2019 and 2020**

<u>Fiscal year ended June 30,</u>	<u>Revised Budget</u>	<u>Budget Support</u>	<u>Difference</u>	<u>Actual</u>	<u>Variance</u>
<u>2018</u>					
Special Education tuition	\$ 3,500,000	\$ -	\$ 3,500,000	\$ 3,500,000	\$ -
Excess cost grant amount netted	\$ -			\$ 275,289	
<u>2019</u>					
Special Education tuition	\$ 3,252,859	\$ -	\$ 3,252,859	\$ 4,154,753	\$ (901,894)
Excess cost grant amount netted	\$ -			\$ 1,517,861	
<u>2020</u>					
Special Education tuition	\$ 3,800,000	\$ -	\$ 3,800,000	\$ 3,755,378	\$ 44,622
Excess cost grant amount netted	\$ (1,055,000)			\$ -	
Amount recorded in grants fund charged to excess cost grant				\$ 865,095	

- After crediting the excess cost grant against special education expenditures, special education was over spent by \$8,875.
- We noted that in fiscal year 2018, the following accounts were credited for the excess cost grant, including the tuition account above

Review of Financial Records and Reports

Special Education Costs

Budget analysis

- We noted that in fiscal year 2018, the excess cost grant was charged to certain special education related accounts.

**Budget Process Analysis
Special Education Tuition
For the Fiscal Year Ended June 30, 2018**

<u>Account name</u>	<u>Revised Budget</u>	<u>Budget Support</u>	<u>Excess Cost Grant Netted Amount</u>	<u>Actual Amount Expended</u>	<u>Variance</u>
Special education department	\$ 3,739,584	\$ 3,721,534	\$ 498,314	\$ 4,219,848	\$ (480,264)
Tuition	3,500,000	3,500,000	275,289	3,775,289	(275,289)
Transportation	1,535,700	1,519,900	219,342	1,739,242	(203,542)
Totals	<u>\$ 8,775,284</u>	<u>\$ 8,741,434</u>	<u>\$ 992,945</u>	<u>\$ 9,734,379</u>	<u>\$ (959,095)</u>

- For 2019, we noted that the total amount that special education was over expended totaled \$1,500,070 and the excess cost grant that was credited against expenditures in an account labeled anticipated SPED totaled \$1,517, 861. That amount is detailed in the analysis below.
- For fiscal year 2020, we noted that the anticipated excess cost grant was budgeted at \$1,055,000 but was not needed to balance the budget. Due to COVID-19, the total amount that special education exceeded the budget was only \$134,440. That amount is detailed in the analysis below.
- For fiscal year 2020, the excess cost grant was recorded in the grants fund totaling \$1,419,318, \$865,095 of which was for special education tuition.

A detailed analysis of the special education departments/accounts included in the education budget for the fiscal years 2018 through 2020 are as follows:

Review of Financial Records and Reports

Special Education Costs

Budget Process Analysis

Special Education

For the Fiscal Years Ended June 30, 2018, 2019 and 2020

Fiscal year ended June 30	Adjusted Budget	Budget support	Difference	Actual	Variance
<u>2018</u>					
Special education department	\$ 3,739,584	\$ -	\$ 3,739,584	\$ 3,721,534	\$ 18,050
PPS after school	3,000	-	3,000	-	3,000
Health services (PPS)	610,065	-	610,065	592,390	17,675
Health services (PPS)	8,000	-	8,000	7,104	896
Psychologist and behaviorist	1,507,136	-	1,507,136	1,411,656	95,480
Social workers	1,110,321	-	1,110,321	1,069,707	40,614
Speech, hearing, language	930,525	-	930,525	923,062	7,463
Special education teachers	125,864	-	125,864	94,269	31,595
SPED - Elementary teachers	1,768,621	-	1,768,621	1,681,369	87,252
SPED - Middle School teachers	1,213,585	-	1,213,585	1,335,540	(121,955)
SPED - High School teachers	1,517,424	-	1,517,424	1,615,323	(97,899)
Work experience	5,000	-	5,000	4,258	742
SPED - Summer	250,000	-	250,000	312,867	(62,867)
PPS - TECEC	998,518	-	998,518	1,050,229	(51,711)
Tuition	3,500,000	-	3,500,000	3,500,000	-
PPS- Para training	14,250	-	14,250	7,260	6,990
Transportation	1,535,700	-	1,535,700	1,519,900	15,800
Totals	\$ 18,837,593	\$ -	\$ 18,837,593	\$ 18,846,468	\$ (8,875)
Excess Cost grant netted against total budget					\$ 992,945

- We noted the most significant expenditures accounts that contribute the over expenditure are the as follows:
 - Special education department lines for paraprofessionals, consultants and legal.
 - Special education teacher salaries
 - Special education summer salaries
 - PPS – TECEC
 - Tuition
 - Transportation

Review of Financial Records and Reports

Special Education Costs

2019

Fiscal year ended June 30	Adjusted Budget	Budget Support	Difference	Actual	Variance
Special education department	\$ 3,811,095	\$ -	\$ 3,811,095	\$ 4,293,442	\$ (482,347)
PPS after school	2,602	-	2,602	-	2,602
Health services (PPS)	616,466	-	616,466	567,293	49,173
Health services (PPS)	8,674	-	8,674	63,520	(54,846)
Psychologist and behaviorist	1,500,495	-	1,500,495	1,640,603	(140,108)
Social workers	1,097,519	-	1,097,519	1,034,939	62,580
Speech, hearing, language	1,042,536	-	1,042,536	1,019,593	22,943
Special education teacher	97,990	-	97,990	97,990	-
SPED - Elementary teachers	1,861,923	-	1,861,923	1,849,483	12,440
SPED - Middle School teachers	1,380,919	-	1,380,919	1,220,613	160,306
SPED - High School teachers	1,733,849	-	1,733,849	1,737,853	(4,004)
Work experience	4,337	-	4,337	5,387	(1,050)
SPED - Summer	224,546	-	224,546	255,623	(31,077)
PPS - TECEC	1,149,725	-	1,149,725	1,152,657	(2,932)
Tuition	3,252,859	-	3,252,859	4,154,753	(901,894)
PPS- Para training	12,361	-	12,361	7,859	4,502
Transportation	1,843,460	-	1,843,460	2,039,818	(196,358)
Totals	\$ 19,641,356	\$ -	\$ 19,641,356	\$ 21,141,426	\$ (1,500,070)
Excess Cost grant netted against total budget					\$ 1,517,861

➤ We noted the most significant expenditures accounts that contribute the over expenditure are the as follows:

- Special education department lines for paraprofessionals, consultants and legal.
- Psychologists and behaviorist
- Special education summer salaries
- Tuition
- Transportation

Review of Financial Records and Reports

Special Education Costs

2020

Fiscal year ended June 30	Adjusted Budget	Budget Support	Difference	Actual	Variance
Special education department	\$ 4,089,286	\$ -	\$ 4,089,286	\$ 4,282,884	\$ (193,598)
PPS after school	3,000	-	3,000	-	3,000
Health services (PPS)	608,132	-	608,132	591,225	16,907
Health services (PPS)	51,500	-	51,500	6,064	45,436
Psychologist and behaviorist	1,691,528	-	1,691,528	1,821,519	(129,991)
Social workers	1,090,082	-	1,090,082	1,256,205	(166,123)
Speech, hearing, language	1,057,826	-	1,057,826	1,189,647	(131,821)
Special education teacher	102,943	-	102,943	102,943	-
SPED - Elementary teachers	1,917,745	-	1,917,745	1,683,813	233,932
SPED - Middle School teachers	1,288,225	-	1,288,225	1,143,689	144,536
SPED - High School teachers	1,882,127	-	1,882,127	1,745,303	136,824
Work experience	5,000	-	5,000	4,209	791
SPED - Summer	262,500	-	262,500	264,021	(1,521)
PPS - TECEC	1,183,961	-	1,183,961	1,346,873	(162,912)
Tuition	3,800,000	-	3,800,000	3,755,378	44,622
PPS- Para training	14,250	-	14,250	6,589	7,661
Transportation	1,867,000	-	1,867,000	1,849,183	17,817
Totals	<u>\$ 20,915,105</u>	<u>\$ -</u>	<u>\$ 20,915,105</u>	<u>\$ 21,049,545</u>	<u>\$ (134,440)</u>
Excess Cost grant netted against total budget					<u>\$ -</u>

- We noted the most significant expenditures accounts that contribute the over expenditure are the as follows:
 - Special education department lines for paraprofessionals, consultants and legal.
 - Psychologists and behaviorist
 - Social workers
 - Speech, hearing and language
 - Special education summer salaries
 - PPS – TECEC
- Tuition and transportation were not over budget in fiscal year 2020, due to closure of schools due to the COVID 19 pandemic.
- In comparing the 2018 through June 30, 2020, special education budget activity above, the most significant drivers of special education, excluding fiscal year 2020, are tuition, transportation and salaries for IEP required services.

Review of Financial Records and Reports

Special Education Costs

Review of Excess Cost Reimbursement Reports

We reviewed the excess cost reimbursement forms that are required to be completed by the District for the fiscal years ending June 30, 2018 through June 30, 2020. The cost reimbursement forms, Special Education Excess Cost Grant form, is the basis of the excess cost grant reimbursement grant. The grant reimbursement is based upon current year expenditures. For perspective, the Education Cost Sharing (ECS) grant is supposed to be based upon prior year expenditures.

The Town is reimbursed only for a percentage of the amount of expenditures for students whose per pupil costs exceed 4.5 times the District's per pupil; cost. The Town's per pupil cost is calculated annually by the State Department of Education based upon information contained in the EFS form filed annually by the District.

It is important to note that there are many student who receive special education services who do not reach the 4.5 time threshold.

State statutes require that if special education cost exceed the budgeted amounts that the excess cost grant fund be used to fund the cost overruns.

SPED-1 Condition

The excess cost reimbursement forms are required to be completed with estimated costs for tuition and transportation for students who are expected to exceed the State Department of Education calculated threshold. The estimated costs are required to be entered in November, updated in April and finalized as part of the year end Department of Education reporting due September 1.

Review of Financial Records and Reports

Special Education Costs

Review of Excess Cost Reimbursement Reports

The review and analysis of the excess cost reporting for fiscal years 2018 through 2020 is presented below:

Special Education Excess Cost Reporting Analysis				
For the Fiscal Years Ended June 30, 2018, 2019, and 2020				
		Fiscal year ended June 30,		
		2018	2019	2020
Total number of students reported on excess cost reimbursement form	(1)	101	112	129
Number of students below minimum threshold		54	51	93
Number of students included in reimbursement calculation		47	61	36
Minimum threshold before costs are considered for reimbursement	(2)	\$ 71,908	\$ 72,510	\$ 74,969
Total expenditure reported on excess reimbursement form	(1)	\$ 7,566,437	\$ 8,825,074	\$ 9,030,290
Cost amount for students below minimum threshold		2,363,023	1,406,299	2,353,643
Net amount of costs included in reimbursement		\$ 5,203,414	\$ 7,418,775	\$ 6,676,647
(1) - Per excess cost reimbursement form				
(2) - Per State Department of Education				

- We noted that for 2018, 54 students were accounted for and included in the excess cost reimbursement form but were below the reimbursement threshold.
- For 2019 we noted that 75 students had estimated costs of \$75,000 to \$76,000 and for 2020 there were 80 students. These estimates are above the State Department of Education minimum threshold for reimbursement.

Since the grant payments are based upon the estimated amounts entered in the State reimbursement form, over estimating the grants may result in and overpayment of the excess cost grant.

Review of Financial Records and Reports

Special Education Costs

Review of Excess Cost Reimbursement Reports

Overpayments of the excess cost grant are recover by the State by reducing the subsequent year's ECS grant.

Recommendations

- We recommend that the District revise its procedures for estimating and entering cost information into the State Department of Education excess cost systems as follows:
 1. Only students who are expected to exceed the State Department of Education minimum threshold amount be accounted for and entered into the State system. The threshold is made available by State in January.
 2. We recommend that a form be developed and implemented to estimate the total cost for identified excess cost students. This form should also be used to account for the actual cost of the student for audit purposes and final reporting to the State.

This will create efficiency and eliminate unnecessary accounting and reporting for students who are not expected to meet the threshold.

Using actual estimates vs amount in excess of the minimum threshold will reduce the risk of over reimbursement.

SPED-2 Recommendation

Below are recommendations regarding the internal control and best practices related to the excess cost reimbursement grant form. The CT State Department Education form is named: Special Education Excess Cost Grant (SEECG).

We did not perform any detailed testing of the form and therefore some of the recommendations below may be currently in place.

Review of Financial Records and Reports

Special Education Costs

Review of Excess Cost Reimbursement Reports

We recommend that the Board of Education develop and implement formal procedures and related forms to the SEECG reporting as follows:

- Develop procedures and related forms to ensure that actual costs are reported on the SEECG form.
- Develop procedures and related forms to properly track costs by student and prepare and update the SEECG form as required by the State Department of Education.
- Vendors must be required to provide details on the students for which services were performed.
- Allocation methodologies must be formally documented and reviewed and approved by the Business Manager or the Assistant Business Manager.
- Costs be reconciled to the general ledger (transportation, supplies, OT/PT, etc.), where appropriate.
- The tracking forms and related reconciliations and final amounts to be reported on the SEECG form must be reviewed and approved (from a financial perspective only) by the Business Manager or the Assistant Business Manager.

Special Education Student Population Analysis

Procedures Performed

- We requested from the Special Education Department information regarding the total number of special education students for the fiscal years 2018 through 2020.
- We performed an analysis of certain special education costs and data to provide perspective on the District's special education program.

Review of Financial Records and Reports

Special Education Costs

Results of Procedures Performed

Based upon our review and analysis, we noted the following:

- Special education costs have increased from 2018 to 2019, but were level for 2020. The slight decrease for 2020 is most likely due to the COVID-19 pandemic.
- The number of special education students has increases annually from 2018 to 2020.
- The percentage of special education students has increases annually from 2018 to 2020.

The analysis is detailed on **Exhibit 5**.

Review of Financial Records and Reports

Energy Financing and Utilities

Background

The District has completed several energy financing projects beginning in fiscal year 2016. The goal of the projects is to reduce energy use and create budget savings which is then used to pay the debt service on the new equipment. The District financed the projects using 2 different methods:

- Financing through Bank of America (notes)
- Financing through United Illuminating (UI) for recommissioned equipment

Procedures Performed:

- We reviewed the activity of the energy financing and utilities specifically as it relates to the financing with Bank of America. We obtained and reviewed the recently performed internal audit report date March 2, 2020 as a starting point.

At the request of the Town, we expanded the scope of the procedures to include inception to date vs beginning in fiscal year 2018.

- We compared the energy savings using 2015 expenditures for electricity and gas as a base, unadjusted for actual usage or price changes, to the debt service requirement for the financing.

Results of Procedures Performed:

The results of our procedures are detailed on **Exhibits 6A and 6B** and summarized below:

- For the Bank of America notes, we noted the construction and equipment installation activity for the energy financing projects were netted in a budget line names "improvements to site".
- Expenditures for construction and equipment installation activity in excess of revenues received at June 30 were recorded as accounts receivable in order that the budget line not be overspent at year end.
- We noted that the project inception to date (through June 30, 2020) had an excess of \$100,687 of revenues (incentives and note issuance) over expenditures. **(Exhibit 6A).**
- Based upon the unadjusted analysis of energy costs as compared to debt service payments, the District's electric and gas expenditures are \$423,799 less than the debt service payment **(Exhibit 6B).**

Review of Financial Records and Reports

Energy Financing and Utilities

EFU-1 Recommendation

We recommend that future projects be formally approved by the Town (capital project authorization).

We also recommend that the related debt issuance also be formally approved by the Town in accordance with the Town charter.

EFU-2 Recommendation

We recommend that the capital projects be properly accounted for in a separate fund and that the activity be reported gross rather than net in the District budget.

The will ensure compliance with generally accepted account principles and provide transparency in reporting financing activity.

EFU-3 Recommendation

We recommend that the District establish a budget line for debt service to properly identify the payments all equipment financing notes. The budget line "improvements to site" should be for improvements financed from the operating budget.

Review of Accounting Policies and Procedures

Equipment Financing (TD Bank notes)

Background

The District has used financing from TD Bank to finance several purchases, the majority of which is technology related. The District has recently expanded the use of finance to purchase other types of equipment.

Procedures Performed:

- We obtained and reviewed the purpose and status of any other loans entered into by the District, including TD Bank. We will also obtain and review any capital leases or equipment financing noted entered into by the District.
- We prepared a schedule detailing the equipment financing notes as of June 30, 2020.

Results of Procedures Performed:

- For the TD Bank notes, we noted the note proceeds were netted against the related equipment expenditure lines such as technology, vehicles or other equipment account.
- We noted that Business manager signed the note agreements for purchases.

The schedule of TD Bank equipment financing notes is as follows:

Fiscal Year	Debt Service Payments			Funding		
	Principal	Interest	Total	E-Rate	Budget	Total
2015	\$ 602,000	\$ 15,496	\$ 617,496			
2016	280,769	14,391	295,160			
2017	260,000	15,753	275,753			
2018	715,487	50,365	765,852	\$ 77,953	\$ 687,899	\$ 765,852
2019	418,800	36,505	455,305	118,105	337,200	455,305
2020	548,184	32,425	580,608	98,222	482,386	580,608
Totals	\$ 2,825,240	\$ 164,933	\$ 2,990,173	\$ 294,280	\$ 1,507,485	\$ 1,801,765
	Technology		\$ 2,990,173			(1)
	HVAC	2019	136,030			
	Vehicle	2019	54,488			
	Split Air	2020	115,888			
	Mower	2020	13,224			
	Band equipment	2020	124,768			
			\$ 3,434,571			

Review of Accounting Policies and Procedures

Equipment Financing (TD Bank notes)

EFTD-1 Recommendation

We recommend that future projects be formally approved by the Town (capital project authorization).

We also recommend that the related debt issuance also be formally approved by the Town in accordance with the Town charter.

EFTD-2 Recommendation

We recommend that the capital projects and capital purchases be properly accounted for in a separate fund and that the activity be reported gross rather than net in the District budget.

This will ensure compliance with generally accepted account principles and provide transparency in reporting financing activity.

EFTD-3 Recommendation

We recommend that the District establish a budget line for debt service to properly identify the payments all equipment financing notes. The budget line "improvements to site" should be for improvements financed from the operating budget.

Review of Accounting Policies and Procedures

Debt Service Schedule

Procedures Performed:

Based upon our review of the energy performance notes and loans and the equipment financing notes, we prepared a debt service schedule by debt type. The schedule is presented as **Exhibit 7**.

DSS-1 Condition

We reviewed the June 30, 2019 audit report and noted that the energy performance notes and loans and the equipment financing notes are not presented as long-term liabilities in the Town's financial statements.

Recommendation:

We recommend that the Town properly include the energy performance notes and loans and the equipment financing notes in the financial statements including the required footnote disclosures.

Review of Accounting Policies and Procedures

Special Revenue Funds Analysis

Background

State Statutes define the types of funds that can be established and managed by Boards of Education. The funds noted in the State Statutes are as follows:

- School lunch
- Education grants
- Student activities
- Driver's Education
- Building use
- Donations and contributions
- Continuing (Adult) education

Procedures Performed

We performed an analysis of special revenue fund activity for the fiscal years 2018 through 2020. The analysis is detailed on **Exhibits 8A and 8B**. Based upon the analysis we noted the following:

- For fiscal year 2018 there were 10 funds that had an operating deficit
- For fiscal year 2019 there were 11 funds that had an operating deficit
- For fiscal year 2020 there were 9 funds that had an operating deficit
- There are 8 funds that have a deficit fund balance at June 30, 2020 totaling \$268,638
- During fiscal year 2020, \$418,242 was transferred from the general fund to address the deficits in the Elementary Strings program and the Interdistrict program. The Elementary Strings program deficit was eliminated and the Interdistrict program deficit was reduced to \$55,429.
- During fiscal year 2020, there was a transfer of \$80,000 from the education budget to the Athletics account for pay for play. In 2019, the transfer was for \$50,000 and in 2018, it was \$0. These amounts were not recorded as transfers in the financial statements.
- The Rebates/E-rate fund paid \$98,222 toward debt service for the TD Bank equipment financing notes for IT related equipment
- The Open Choice program is a State program and should be recorded in the Education Grant Fund. It would be expected that the District would have incurred eligible expenditures during the each fiscal year in excess of the amount received.

Review of Accounting Policies and Procedures

Special Revenue Funds Analysis

Procedures Performed

- The Magnet School Transportation Grant program is a State program and should be recorded in the Education Grant Fund. It would be expected that the District would have incurred eligible expenditures during the each fiscal year in excess of the amount received.
- We noted that 5 funds did not have any activity for the past 3 fiscal years (**Exhibit 8C**).

SRF-1 Recommendation

We recommend that the District properly monitor special revenue funds activity and limit expenditures charged to each program to the available balance. Any disbursements in excess of available fund should be charged to the education budget.

SRF-2 Recommendation

We recommend that the District develop a plan to eliminate the deficits for the remaining special revenue funds.

SRF-3 Recommendation

We recommend that the Open Choice program and the Magnet School Transportation grant be recorded in the Education Grant Fund.

We also recommend that eligible expenditures be recorded in the grants funds to reduce the pressure on the education budget.

SRF-4 Recommendation

We recommend that the District review the current special revenue funds to determine the following:

- Whether the program should be reported as a special revenue fund or general fund budget line.
- Whether funds with positive balances that are not restricted for a particular purpose can be used to address the funds with deficit fund balances.
- Whether the fund should be recorded in another fund (THS funds).

Review of Accounting Policies and Procedures

School Lunch Program

Background

School lunch program funds are specifically referenced by State Statutes and the revenues generated by the program are restricted to support the program. The program is funded with federal and state grants, USDA donated commodities (federal) and charges for lunches.

Procedures Performed

We prepared an analysis of the School Lunch Funds' revenue and expenditures for fiscal years 2016 through 2020. The analysis is presented on **Exhibit 9**.

In reviewing the analysis, we noted the following:

- Over the 5 year period, excluding fiscal year 2020 which was impacted by the COVID-19 pandemic and excluding the transfers out of the fund discussed below, the program was break-even.
- The program is paying for all employee benefits including medical and dental, life insurance and pension. The fund is also paying for all payroll costs and the related employer match.

It should be noted that the majority of the school lunch programs are operating at a deficit and are NOT paying for employee benefits.

The benefit costs paid for by the program over the past 5 year period totaled \$2,481,686, net of employee contributions.

- We noted that for fiscal years 2016 and 2017, there were no employee contributions (health insurance payments w/h). We were unable to determine if the employee contributions were not required or were credited to the general fund.
- We noted that there were transfers of funds from the School Lunch Fund to the District budget for the fiscal years 2017 through 2019. Based upon discussion with the District, this practice was started based upon the recommendations contained in the Gibson Report dated October 13, 2013. The transfers were identified to be reimbursement for certain expenditures.

Item 6.4 of the Gibson report was as follows:

- Allocate general fund expenditures incurred by food services operation.

Review of Accounting Policies and Procedures

School Lunch Program

The District's responses were as follows:

- Recommendation requires additional study.
- Allocating additional expenditures to the food service program would reduce monies available for replacement of kitchen equipment.

The Finance Committee's response/comment was as follows:

Based upon input from District administration, this will not be pursued at this time.

We are not aware of any specific action by the Finance Committee to change this position.

- We noted at June 30, 2019, the school lunch fund had an ending fund balance of \$85,570. The amount charged back to the fund for fiscal year 2019 was \$80,000.

CF-1 Condition

We reviewed the supporting documentation available for the transfers from the School Lunch program to the general fund.

The only supporting documentation that was available was the journal entry that was prepared by the Business Manager to record the transfer. There was no supporting calculation for how the amounts were determined.

School Lunch Program Fund

As noted in **Exhibit 9**, the amount of costs charged back to the School Lunch fund by fiscal year were as follows:

2016	\$	-
2017		284,296
2018		80,000
2019		80,000
2020		-

Review of Accounting Policies and Procedures

School Lunch Program

For the fiscal year 2017, the types of costs included in the transfer were as follows:

Custodial support	\$ 124,247
Lunch aides	72,667
Utilities	23,925
Financial analyst support	10,000
Accounts payable support	1,000
Medical claims liability (IBNR)	46,457
Telephone	6,000
Total	<u>\$ 284,296</u>

For the fiscal years 2018 and 2019, the journal entry did not detail any calculation, but the description for the entry noted it was for custodial services.

Recommendation

We recommend that all costs allocated to the school lunch program fund be properly supported by actual costs or detailed calculations of any allocation of costs. Allocations should be supported by actual cost data and allocated using an appropriate base.

CF-2 Condition

The District allocated \$80,000 in expenditures in fiscal year 2019 to the school lunch program without consideration that the fund had a \$5,570 fund balance deficit.

The impact of the transfers of expenditures was to reduce the expenditures in the general fund and increase the expenditures of the school lunch fund.

Due to the fact that the fund did not have the resources to pay for the expenditures, this practice is contrary to proper accounting.

Recommendation

We recommend that before charging expenditures to any fund that the fund be reviewed to determine if there are funds available.

Trumbull Public Schools

**Analysis of Special Revenue Fund Salaries and Benefits
For the Fiscal Years Ended June 30, 2018, 2019, and 2020**

	Salaries	Benefits
Fiscal year ended June 30, 2018		
Driver's Education	\$ 143,985.00	\$ -
Athletics	112,434.70	-
PPS Medical program	57,158.40	-
THS Auditorium	5,090.41	-
Summer Explorations	200,365.96	4,539.66
Continuing Education	45,733.61	4,539.63
Elementary Strings/Band	72,766.38	-
THS AP Testing	1,821.25	-
Interdistrict	376,070.80	-
Open Choice	46,067.03	-
Total	\$ 1,061,493.54	\$ 9,079.29
Fiscal year ended June 30, 2019		
Driver's Education	\$ 123,325.00	\$ -
Athletics	125,666.53	-
PPS Medical program	58,593.60	-
THS Auditorium	5,126.59	-
Summer Explorations	199,199.97	4,575.48
Continuing Education	48,898.35	4,575.36
Elementary Strings/Band	182,282.18	-
THS AP Testing	8,742.00	-
Interdistrict	337,925.53	-
Open Choice	29,848.41	-
Total	\$ 1,119,608.16	\$ 9,150.84
Fiscal year ended June 30, 2020		
Driver's Education	\$ 85,300.00	\$ -
Athletics	3,670.00	-
PPS Medical program	60,049.60	-
THS Auditorium	363.48	-
Summer Explorations	185,261.82	4,910.75
Continuing Education	42,607.51	4,910.75
Elementary Strings/Band	52,538.00	-
Building Use	36,337.52	-
THS AP Testing	-	-
Interdistrict	347,717.88	-
Open Choice	27,105.45	-
Total	\$ 840,951.26	\$ 9,821.50

Trumbull Public Schools

**Hired vs Terminated Analysis
For the Fiscal Years Ended June 30, 2018, 2019 and 2020**

Job Title	Hired	Cost	Terminated	Cost	Net Hired vs Terminated	Net Cost
For the Year Ended June 30, 2018						
Food service/cafeteria	5	\$ 36,865	1	\$ 7,373	(1)	\$ 29,492
Custodial/maintenance	6	238,761	-	-	6	238,761
Paraprofessionals	25	417,849	4	72,648	(1)	345,201
Secretaries	7	180,676	1	25,811	(1)	154,865
Teachers	25	1,717,697	3	68,708	(1)	1,648,989
Total	68	\$ 2,591,848	9	\$ 174,539	59	\$ 2,417,308
For the Year Ended June 30, 2019						
Food service/cafeteria	7	\$ 85,088	1	\$ 12,155	(1)	\$ 72,932
CILU support	1	72,762	-	-	1	72,762
Custodial/maintenance	12	447,392	-	-	12	447,392
Health aides	1	-	(2)	-	(2)	-
Paraprofessionals	13	239,283	3	18,406	(1)	220,877
BD certified behavior analyst	1	71,732	-	-	1	71,732
Secretaries	5	113,336	1	22,667	(1)	90,669
Teachers	44	2,770,395	4	68,519	(1)	2,701,876
Total	84	\$ 3,799,988	10	\$ 121,748	74	\$ 3,678,240

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Trumbull Public Schools

**Hired vs Terminated Analysis
For the Fiscal Years Ended June 30, 2018, 2019 and 2020**

Job Title	Hired	Cost	Terminated	Cost	Net Hired vs Terminated	Net Cost
For the Year Ended June 30, 2020						
Food service/cafeteria	10	\$ 124,777	-	\$ -	10	\$ 124,777
Paraprofessionals	14	239,227	1	17,088	(1)	222,139
BD certified behavior analyst	1	86,155	-	-	1	86,155
Interim Administrator	4	-	(2)	-	4	-
Secretaries	5	94,246	1	18,849	(1)	75,397
Teachers	23	1,295,217	4	150,725	19	1,144,492
Assistant principal/non teaching	1	142,758	-	142,758	(1)	-
Certified admin/principals	1	171,117	1	171,117	(1)	-
Total	59	\$ 2,153,496	7	\$ 500,536	52	\$ 1,652,960
(1)	Actual cost of terminated employees was not provided. Amount presented is the average salary for the cost of new hires.					
(2)	Data not provided.					

Trumbull Public Schools**Special Education Analysis****For the Fiscal Years Ended June 30, 2018, 2019, and 2020**

		2018	2019	2020
Excess Cost Students				
Total actual expenditures	(1)	\$ 18,846,468	\$ 21,141,426	\$ 21,049,545
Total expenditure reported on excess reimbursement form	(2)	\$ 7,566,437	\$ 9,681,907	\$ 11,051,389
Total number of students reported on excess cost reimbursement form	(2)	101	112	129
Minimum threshold before costs are considered for reimbursement	(3)	\$ 71,908	\$ 72,510	\$ 74,969
Special Education Student Population:				
In district educated students	(4)	829	867	883
Outplaced students (tuition)	(4)	45	47	49
Total special education student population		874	914	932
Total student enrollment	(4)	6,827	6,854	6,873
Percentage of special education students		12.80%	13.34%	13.56%
(1) - Per Trumbull Public School general ledger				
(2) - Per excess cost reimbursement form				
(3) - Per State Department of Education				
(4) - Per Trumbull special education department				

Trumbull Public Schools

Energy Performance Project Activity Analysis

	2016	2017	2018	2019	2020	Total
Revenues						
Rebates	\$ 310,204	\$ 683,370	\$ 405,998	\$ 5,396	\$ 64,789	\$ 1,469,757
Note issuance	925,034	4,130,000	1,700,000	-	-	6,755,034
Other	1,356	-	666	-	-	2,022
Total revenues	1,236,594	4,813,370	2,106,664	5,396	64,789	8,226,813
Expenditures						
70 Project expenditures	1,234,714	4,571,558	2,148,698	2,094	171,156	8,126,126
Excess (Deficiency) of Revenues over Expenditures	\$ 1,880	\$ 241,812	\$ (42,034)	\$ 3,302	\$ (106,367)	\$ 100,687
Lease payment	\$ 51,701	\$ 508,430	\$ 700,365	\$ 700,365	\$ 700,365	\$ 2,661,226
Budgeted Amount	\$ -	\$ 508,000	\$ 700,000	\$ 700,000	\$ 800,000	\$ 2,708,000

Trumbull Public Schools

Education Department Debt Service (including interest)

Fiscal Year Ended	Energy Performance Loans	Recommissioning Loans	Equipment Financing Loans	Total
2015	\$ -	\$ -	\$ 154,374	\$ 154,374
2016	51,701	-	154,374	206,075
2017	508,429	-	228,164	736,593
2018	700,365	-	358,872	1,059,237
2019	700,366	36,675	334,191	1,071,232
2020	700,365	69,762	495,648	1,265,775
2021	700,365	69,763	630,478	1,400,606
2020	700,366	33,088	499,770	1,233,224
2023	700,365	-	370,078	1,070,443
2024	700,365	-	208,622	908,987
2025	700,366	-	-	700,366
2026	648,665	-	-	648,665
2027	317,994	-	-	317,994
2028	126,058	-	-	126,058
2029	126,058	-	-	126,058
2030	126,058	-	-	126,058
2031	126,058	-	-	126,058
Totals	7,633,944	209,288	3,434,571	10,180,761
Interest	878,910	-	192,280	1,071,190
Principal	\$ 6,755,034	\$ 209,288	\$ 3,242,291	\$ 9,109,571
High School		\$ 85,472		
Frenchtown		100,000		
TECEC		5,621		
Agriculture Science		18,195		
Total		\$ 209,288		
Funding Sources	Improvements to site budget	Electricity line	Technology budget E-Rate funds Equipment lines	

Trumbull Public Schools
Analysis of Special Revenue Fund Activities
For the Period July 1, 2018 through June 30, 2019

Activity	2018			2019			Ending Fund Balance
	Revenues	Expenditures	Net Change in Fund Balance	Revenues	Expenditures	Net Change in Fund Balance	
PE day	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,297.00
Enhancement Program	-	-	-	-	-	-	1,858.00
Driver's Education	162,560.00	196,392.30	(33,832.30)	141,295.00	131,669.48	9,625.52	15,208.00
Athletics	200,267.91	203,938.69	(3,670.78)	287,541.65	348,708.01	(61,166.36)	(63,237.00)
PPS Medical program	83,722.81	90,886.78	(7,163.97)	76,159.37	79,015.96	(2,856.59)	2,227.00
THS Auditorium	3,370.00	5,228.22	(1,858.22)	-	7,309.05	(7,309.05)	(19,194.00)
Summer Explorations	263,791.00	328,999.87	(65,208.87)	261,651.50	321,112.82	(59,461.32)	58,801.00
Continuing Education	81,423.25	80,537.14	886.11	171,090.00	155,581.84	15,508.16	(10,195.00)
ACE Foundation	-	-	-	-	-	-	58.00
Elementary Strings/Band	59,613.25	78,194.81	(18,581.56)	148,068.33	186,502.42	(38,434.09)	(105,665.00)
Take Home Device Insurance	20,937.50	13,136.93	7,800.57	36,535.00	38,852.26	(2,317.26)	5,483.00
Building Use	-	-	-	-	-	-	-
Voluntary Insurance	-	(2,250.89)	(2,250.89)	-	43.69	(43.69)	2,207.00
THS Musical	57,978.12	55,495.90	2,482.22	62,671.14	60,018.16	2,652.98	7,657.00
Rebates (E-rate)	72,790.90	84,032.66	(11,241.76)	252,547.17	186,950.80	65,596.37	60,596.00
Used Book Sales	-	-	-	-	-	-	2,145.00
Guidance/Testing	4,157.80	36,005.26	(31,847.46)	3,256.00	13,174.11	(9,918.11)	6,418.00
THS AP Testing	70,537.28	63,555.93	6,981.35	105,136.04	103,933.90	1,202.14	8,183.00
Interdistrict	330,132.67	402,655.14	(72,522.47)	356,781.67	430,859.27	(74,077.60)	(145,081.00)
Headstart Food	30,236.70	36,667.23	(6,430.53)	31,972.00	28,280.52	3,691.48	31.00
THS Connections	-	-	-	-	-	-	1,125.00
THS Culinary Kitchen Catering	5,434.00	4,130.00	1,304.00	5,713.79	6,600.04	(886.25)	9,434.00
Open Choice	166,948.00	156,128.38	10,819.62	145,919.00	180,894.85	(34,975.85)	44,846.00
Miscellaneous	-	-	-	-	-	-	10,401.00
Typical or Troubled Grant	-	-	-	-	-	-	643.00
Magnet School Transportation	62,400.00	62,400.00	-	50,700.00	50,700.00	-	-
Agriscience	3,431.00	1,526.68	1,904.32	236,926.00	193,654.46	43,271.54	47,609.00
Madison Grant	-	-	-	-	-	-	368.00
Total	\$ 1,679,732.19	\$ 1,897,661.03	\$ (222,430.62)	\$ 2,373,963.66	\$ 2,523,861.64	\$ (149,897.98)	\$ (56,777.00)

**Trumbull Public Schools
Analysis of Special Revenue Fund Activities
For the Period July 1, 2019 through June 30, 2020**

Activity	Fund Balance July 1, 2019	Revenues	Expenditures	Transfers In	Net Change in Fund Balance	Fund Balance June 30, 2020
PE day	\$ 1,297.00	\$ -	\$ 1,050.00	\$ -	\$ (1,050.00)	\$ 247.00
Enhancement Program	1,858.00	-	1,858.00	-	(1,858.00)	-
Driver's Education	15,208.00	93,674.00	90,893.00	-	2,781.00	17,989.00
Athletics	(63,237.00)	276,493.00	298,612.00	80,000.00	57,881.00	(5,356.00)
PPS Medical program	2,227.00	50,169.00	67,028.00	-	(16,859.00)	(14,632.00)
THS Auditorium	(19,194.00)	-	384.00	-	(384.00)	(19,578.00)
Summer Explorations	58,801.00	29,764.00	222,468.00	-	(192,704.00)	(133,903.00)
Continuing Education	(10,195.00)	63,763.00	78,193.00	-	(14,430.00)	(24,625.00)
ACE Foundation	58.00	-	-	-	-	58.00
Elementary Strings/Band	(105,665.00)	57,247.00	191,005.00	239,423.00	(1)	105,665.00
Take Home Device Insurance	5,483.00	31,960.00	26,121.00	-	5,839.00	11,322.00
Building Use	-	64,243.00	37,593.00	-	26,650.00	26,650.00
Voluntary Insurance	2,207.00	-	(2,013.00)	-	2,013.00	4,220.00
THS Musical	7,657.00	16,705.00	39,477.00	-	(22,772.00)	(15,115.00)
Rebates (E-rate)	60,596.00	102,782.00	104,798.00	-	(2,016.00)	58,580.00
Used Book Sales	2,145.00	-	-	-	-	2,145.00
Guidance/Testing	6,418.00	3,504.00	-	-	3,504.00	9,922.00
THS AP Testing	8,183.00	98,979.00	88,375.00	-	10,604.00	18,787.00
Interdistrict	(145,081.00)	267,912.00	357,079.00	178,819.00	(1)	89,652.00
Head start Food	31.00	25,003.00	22,970.00	-	2,033.00	2,064.00
THS Connections	1,125.00	-	-	-	-	1,125.00
THS Culinary Kitchen Catering	9,434.00	5,149.00	4,970.00	-	179.00	9,613.00
Open Choice	44,846.00	137,580.00	50,820.00	-	86,760.00	131,606.00
Miscellaneous	10,401.00	-	8,000.00	-	(8,000.00)	2,401.00
Typical or Troubled Grant	643.00	-	-	-	-	643.00
Magnet School Transportation	-	58,500.00	-	-	58,500.00	58,500.00
Agriscience	47,609.00	-	33,242.00	-	(33,242.00)	14,367.00
Madison Grant	368.00	-	-	-	-	368.00
Total	\$ (56,777.00)	\$ 1,383,427.00	\$ 1,722,923.00	\$ 498,242.00	\$ 158,746.00	\$ 101,969.00
				\$ 418,242.00	(1) Deficit total	\$ (268,638.00)

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Trumbull Public Schools
Analysis of Special Revenue Fund Activities
For the Period July 1, 2018 Through June 30, 2020

Activity	2018	2019	2020	3 Year Total
	Net Change in Fund Balance	Net Change in Fund Balance	Net Change in Fund Balance	
PE day	\$ -	\$ -	\$ (1,050.00)	\$ (1,050.00)
Enhancement Program	-	-	(1,858.00)	(1,858.00)
Driver's Education	(33,832.30)	9,625.52	2,781.00	(21,425.78)
Athletics	(3,670.78)	(61,166.36)	57,881.00	(6,956.14)
PPS Medical program	(7,163.97)	(2,856.59)	(16,859.00)	(26,879.56)
THS Auditorium	(1,858.22)	(7,309.05)	(384.00)	(9,551.27)
Summer Explorations	(65,208.87)	(59,461.32)	(192,704.00)	(317,374.19)
Continuing Education	886.11	15,508.16	(14,430.00)	1,964.27
ACE Foundation	-	-	-	-
Elementary Strings/Band	(18,581.56)	(38,434.09)	105,665.00	48,649.35
Take Home Device Insurance	7,800.57	(2,317.26)	5,839.00	11,322.31
Building Use	-	-	26,650.00	26,650.00
Voluntary Insurance	(2,250.89)	(43.69)	2,013.00	(281.58)
THS Musical	2,482.22	2,652.98	(22,772.00)	(17,636.80)
Rebates (E-rate)	(11,241.76)	65,596.37	(2,016.00)	52,338.61
Used Book Sales	-	-	-	-
Guidance/Testing	(31,847.46)	(9,918.11)	3,504.00	(38,261.57)
THS AP Testing	6,981.35	1,202.14	10,604.00	18,787.49
Interdistrict	(72,522.47)	(74,077.60)	89,652.00	(56,948.07)
Headstart Food	(6,430.53)	3,691.48	2,033.00	(706.05)
THS Connections	-	-	-	-
THS Culinary Kitchen Catering	1,304.00	(886.25)	179.00	596.75
Open Choice	10,819.62	(34,975.85)	86,760.00	62,603.77
Miscellaneous	-	-	(8,000.00)	(8,000.00)
Typical or Troubled Grant	-	-	-	-
Magnet School Transportation	-	-	58,500.00	58,500.00
Agriscience	1,904.32	43,271.54	(33,242.00)	11,933.86
Madison Grant	-	-	-	-
Total	\$ (222,430.62)	\$ (149,897.98)	\$ 158,746.00	\$ (213,582.60)

Trumbull Public Schools

School Lunch Program Fund Analysis

	2016	2017	2018	2019	Change	2020	Change	Total
Revenues:								
Food sales	\$ 1,958,297	\$ 1,946,923	\$ 1,870,525	\$ 1,763,492	\$ (107,034)	\$ 1,246,209	\$ (517,283)	\$ 8,785,446
Food sales- COVID	-	-	-	-	-	116,036	116,036	116,036
Misc. income	234	240	1,214	12,180	10,965	991	(11,189)	14,859
Federal lunch reimbursement	312,946	260,343	311,542	422,670	111,128	309,159	(113,511)	1,616,660
State match grant	19,815	39,676	19,385	20,787	1,402	15,243	(5,545)	114,906
Fed breakfast	2,793	4,833	5,885	16,707	10,821	24,292	7,585	54,510
7 cent certification	25,894	21,717	23,262	24,945	1,683	19,816	(5,129)	115,635
10 cent hfc-state	80,600	1,247	38,770	41,575	2,805	30,486	(11,089)	192,677
State breakfast grant	-	-	-	-	-	8,601	8,601	8,601
Total revenues	2,400,578	2,274,980	2,270,585	2,302,355	31,770	1,770,832	(531,523)	11,019,330
Expenditures:								
76 Lunch salaries	847,934	878,843	953,948	1,001,670	47,722	1,019,529	17,859	4,701,923
Cler.time-central off./general	-	-	-	-	-	-	-	-
Cust./maint. - regular pay	-	-	-	-	-	-	-	-
Total Salaries	847,934	878,843	953,948	1,001,670	47,722	1,019,529	17,859	-
FICA	48,600	51,706	55,121	55,600	478	56,922	1,322	267,948
Medical ins. gross	513,850	530,468	396,549	428,260	31,711	486,585	58,325	2,355,712
Medical waivers	2,594	7,375	6,700	5,704	(996)	6,596	892	28,969
Ltd insurance	-	-	313	321	8	324	3	958
Life insurance	1,397	1,406	1,605	1,916	311	1,923	7	8,247
Health ins payments w/h	-	-	(63,848)	(63,319)	530	(75,392)	(12,073)	(202,559)
401a-tboe contribution	1,419	3,065	5,157	5,491	334	7,280	1,789	22,411
Total benefits	567,859	594,019	401,598	433,973	32,375	484,237	50,264	2,481,686

Trumbull Public Schools

School Lunch Program Fund Analysis

	2016	2017	2018	2019	Change	2020	Change	Total
Other professional services	\$ 1,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,720
Repairs, service fees	28,020	32,269	24,693	32,174	7,481	23,425	(8,748)	140,581
Support - serv - comp. THS	6,083	-	6,494	7,210	716	7,365	155	27,151
Delivery expense (food)	2,670	2,835	2,373	851	(1,522)	1,398	547	10,128
Professional development	550	2,550	2,329	2,216	(113)	1,443	(774)	9,088
Mileage	1,459	332	146	244	98	166	(78)	2,347
Conference - other expenses	422	520	681	520	(161)	80	(440)	2,223
Postage	237	368	82	154	72	75	(79)	916
Telephone expense	-	-	-	-	-	-	-	-
Printing	2,940	3,219	3,283	3,171	(112)	3,848	677	16,461
Food expense commodities	35,744	38,652	36,963	38,681	1,718	35,830	(2,851)	185,869
Food expense purchases	787,320	778,366	788,624	786,409	(2,215)	647,394	(139,015)	3,788,112
Supplies	69,903	78,605	61,015	63,915	2,900	52,356	(11,560)	325,794
Subscriptions, periodicals	1,100	280	289	321	32	224	(97)	2,214
Improvements to site	35,560	1,812	13,747	21,883	8,136	8,387	(13,496)	81,389
Equipment	7,521	15,870	1,322	-	(1,322)	-	-	24,713
Dues and fees	90	2,692	600	-	(600)	676	676	4,058
Bank fees	995	1,629	1,917	516	(1,400)	1,125	609	6,182
Total expenditures	2,400,143	2,434,877	2,302,120	2,395,928	93,807	2,289,579	(106,350)	11,812,556
expenditures	\$ 435	\$ (159,897)	\$ (31,535)	\$ (93,573)	\$ (62,037)	\$ (518,747)	\$ (425,173)	\$ (793,226)
Intergovernmental transfer	\$ -	\$ 284,296	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ (80,000)	\$ 444,296

**Review of Budget
Development,
Budget Transfers
and Actual
Expenditures**

Review of Budget Development, Budget Transfers and Actual Expenditures

Background

The budget support that were provided to review was contained in paper format in boxes that were in the former Business Manager's office.

We also requested any applicable electronic files that supported the adopted budget. We were informed by the Interim Business Manager that he was unable to find any electronic files on the budget directory on the network.

Certain files were obtained from the Payroll and Insurance and Benefits Department employees that were identified as the files that they had provided to the Business Manager at their request.

With respect to Special Education budget support we requested the budget support from the Interim Special Education Director. The Interim Director informed us that there were no files of any kind left, electronic or paper, in the former Special Education Director's office and therefore there was no budget support information for the special education budget, including transportation.

Procedures Performed:

A. Budget Development

- We reviewed the available budget support and compared the support to the approved budget for the fiscal years 2018 through 2020.

The budget support provided for our review consisted primarily of multiple boxes of budget materials that were from the former Business Manager' office. There were not electronic files that could be located related the budgets on the District network. We were able to obtain files that had been provided to the Business Manager by the payroll department for salaries for each of the 3 years and from insurance and benefits department for the medical and dental insurance. It is unclear if the data was modified or updated by the Business Manager during the budget preparation process.

- We compared the available budget support to the adopted budget and calculated the difference
- We then compared the budgeted amount to the actual amount

Review of Budget Development, Budget Transfers and Actual Expenditures

The analysis of the following budget accounts is detailed in the “Review of Financial Reports Section” of the report:

- Health insurance coverage
- Extra/Substitute paraprofessional (special education)
- Custodians salaries and overtime
- Police
- Security guard salaries and overtime
- Maintenance employees and overtime
- Transportation
- Special education

The analysis of the following salaries, retirement payments and debt service is detailed below:

Salary budget support

We reviewed the salary support provided by the payroll department for the fiscal years 2018 through 2020 and compared it the adopted budgeted. The analysis is included in the schedule below.

**Budget Process Analysis
Salaries
For the Fiscal Years Ended June 30, 2018, 2019 and 2020**

Fiscal year ended June 30,	Budget	Budget support	Difference	Actual	Variance
<u>2018</u>					
Salaries with budget support	\$ 65,862,363	\$66,021,329	\$ (158,966)	\$ 65,358,130	\$ 504,233
Salaries without budget support	1,953,522	-	1,953,522	2,612,863	(659,341)
Total salaries	<u>\$ 67,815,885</u>	<u>\$66,021,329</u>	<u>\$ 1,794,556</u>	<u>\$ 67,970,993</u>	<u>\$ (155,108)</u>
<u>2019</u>					
Salaries with budget support	\$ 68,065,247	\$67,400,027	\$ 665,220	\$ 68,081,817	\$ (16,570)
Salaries without budget support	2,327,219	-	2,327,219	2,819,786	(492,567)
Total salaries	<u>\$ 70,392,466</u>	<u>\$67,400,027</u>	<u>\$ 2,992,439</u>	<u>\$ 70,901,603</u>	<u>\$ (509,137)</u>
<u>2020</u>					
Salaries with budget support	\$ 69,892,201	\$70,237,030	\$ (344,829)	\$ 69,403,680	\$ 488,521
Salaries without budget support	2,137,760	-	2,137,760	2,388,322	(250,562)
Total salaries	<u>\$ 72,029,961</u>	<u>\$70,237,030</u>	<u>\$ 1,792,931</u>	<u>\$ 71,792,002</u>	<u>\$ 237,959</u>

Review of Budget Development, Budget Transfers and Actual Expenditures

Based upon our analysis, we noted the following:

- For fiscal years 2018 and 2020, the budget support is greater than the amount budgeted. Per discussion, with the payroll manager, the budget support provided by that department was for general fund only. By review of the file, only general fund account numbers are included in the file.

As noted above, since we do not have the actual files from the Business Manager, it is unclear if the data was modified or updated by the Business Manager during the budget preparation process. Therefore we cannot determine the reason for the differences noted.

- We noted that the salary object was over spent for fiscal years 2018 and 2019.
- Salaries for employees charged to other funds do not appear to be including the budget development process. Salaries for these employees could potentially have an impact on the budget process depending the levels of fund available from other sources as compared to the prior year.

BD-1 -Recommendation

We recommend that the District implement formal policies and procedures with respect to the budget development process. The policies and procedures should address the requirements for the following areas:

- Format
- Supporting documentation for each significant budget line or category or department. This should include the nature and type of department and vendor supporting documentation required.
- Department responsibilities for preparation and retention of data provided
- Retention, storage and protection of budget data
- Requirement to review at a minimum of 3 years of prior year actual expended amounts and require justification for budgeting less than the 3 year average.
- Documentation of budget methodology for each type of expenditure that there is no detailed support.

Review of Budget Development, Budget Transfers and Actual Expenditures

BD-2 -Recommendation

We recommend that the District develop policies and procedures to manage changes to the salary budget object. The procedures should include the process for identification, communication and proper recording of salary changes. Salary changes for new hires and terminations should be recorded as budget adjustments so that new hire decisions can be made based upon and updated budget and available resources.

We also recommend that the policy specifically address the process, authority and reporting requirements for the use of the reserve for reallocation budget line (salary contingency).

BD-3 -Recommendation

We recommend that all District employees be included in the salary budget development worksheet. This will ensure all employees are accounted for in the budgeting process. Employees charged to other funds should be identified and total by fund/program/grant that they will be charged to. This will also provide data necessary to evaluate whether the fund/program/grant has the resources to fund the salary or if the education budget may have to pay for some of the cost.

BD-4 -Recommendation

Per State Statutes, the Board of Education must approve transfers between objects. Therefore, it would be expected that the salary object would not be overspent at year end.

We recommend that the District and Board of Education comply with State Statutes in managing the education budget.

Reserve for reallocation

The District has a budget line labeled "reserve for reallocation" in the salary object section of the budget. The purpose of this line is a salary contingency for salary adjustments.

Procedures Performed (Additional)

We reviewed the reserve for reallocation for the fiscal years 2018 through 2021. For the fiscal years 2018 through 2020 were reviewed the expenditure reports for any budget transfers (reallocations). We did not review the fiscal 2021 expenditure reports.

Review of Budget Development, Budget Transfers and Actual Expenditures

Results of Procedure Performed

The results of our review is detailed in the schedule below:

Fiscal year ended	Budget	Budget Transfers		Revised Budget
2018	\$ 158,453	\$ (104,922)	(1)	\$ 53,531
2019	\$ 313,048	\$ -		\$ 313,048
2020	\$ 183,554	\$ -		\$ 183,554
2021	\$ 1,448,751	N/A		N/A

Amounts were transferred to the following accounts:

	Security guards	\$ 13,823		
	Custodians	71,057		
	Maintenance	20,042		
	Total	\$ 104,922	(1)	

Retirement payments

Procedures Performed

We reviewed the budget support for the fiscal years 2018 through 2020 and compared it the adopted budgeted.

Review of Budget Development, Budget Transfers and Actual Expenditures

Results of Procedures Performed

The results of the analysis is included in the following schedule:

Budget Process Analysis					
Retirement Payments					
For the Fiscal Years Ended June 30, 2020, 2019, and 2018					
<u>Fiscal Year Ended June 30,</u>	<u>Budget</u>	<u>Budget Support</u>	<u>Difference</u>	<u>Actual</u>	<u>Budget vs Actual</u>
2018	<u>\$ 728,625</u>	<u>\$ 709,813</u>	<u>\$ 18,813</u>	<u>\$ 905,802</u>	<u>\$ (177,177)</u>
2019	<u>\$ 303,500</u>	<u>\$ 376,250</u>	<u>\$ (72,750)</u>	<u>\$ 418,879</u>	<u>\$ (115,379)</u>
2020	<u>\$ 385,563</u>	<u>\$ 340,438</u>	<u>\$ 45,126</u>	<u>\$ 477,194</u>	<u>\$ (91,631)</u>

Based upon our analysis, we noted the following:

- For the fiscal year 2019, the budget support is greater than the amount budgeted.
- We noted that the actual expenditures were in excess of the budget support and the budget for all 3 fiscal years.
- Based upon review of the detailed transactions in the account, we noted that there were also payroll amounts charged to this account for all 3 years.

The payroll amounts were determined to be payments to the employees who retired for unused sick time. Since the account is overspent, it does not appear that these payments were properly budgeted.

BD-5 Recommendation

We recommend that the District properly budget for payments of vested sick time for employees who retire. Normally, in order to be paid for any vested sick time, adequate notification to the District is required (normally one year's notice).

We also recommend that the payouts for vested sick-time be budgeted for and accounted for in a separate account in order that it can be properly tracked and provide data for future budgets

We do not have any information regarding the impact of the COVID 19 pandemic on teacher and other retirements on the District's 2021 budget with respect to payouts for vested sick time.

Review of Budget Development, Budget Transfers and Actual Expenditures

Debt service budget support

We reviewed the salary support provided by the payroll department for the fiscal years 2018 through 2020 and compared it the adopted budgeted. The analysis is included in the schedule below.

Budget Process Analysis
Debt service (Improvements to Site)
For the Fiscal Years Ended June 30, 2018, 2019 and 2020

Account name/ Fiscal year ended June 30,	Revised Budget	Budget Support	Difference	Actual	Variance
Site Improvements	\$ 700,000	\$ 700,365	\$ (365)	\$ (1,216,754)	\$ 1,916,754
Energy improvements	-	-	-	1,959,153	(1,959,153)
2018	<u>\$ 700,000</u>	<u>\$ 700,365</u>	<u>\$ (365)</u>	<u>\$ 742,399</u>	<u>\$ (42,399)</u>
2019	<u>\$ 700,000</u>	<u>\$ 700,365</u>	<u>\$ (365)</u>	<u>\$ 697,063</u>	<u>\$ 2,937</u>
2020	<u>\$ 800,000</u>	<u>\$ 700,365</u>	<u>\$ 99,635</u>	<u>\$ 806,732</u>	<u>\$ (6,732)</u>

Based upon our analysis, we noted the following:

- For 2018 expenditures were higher than the lease payments due to the project revenue and expenditure activity being recorded in this account. The excess of expenditures over rebates received of \$42,034 is the difference from the \$700,365. See **Exhibit 5A** for more details.
- For 2019 expenditures were lower than the lease payments due to the project revenue and expenditure activity being recorded in this account. The excess of rebates received over project expenditures of \$3,302 is the difference from the \$700,365. See **Exhibit 5A** for more details.

Review of Budget Development, Budget Transfers and Actual Expenditures

- For 2020 expenditures were higher than the lease payments due to the project revenue and expenditure activity being recorded in this account. The excess of expenditures over rebates received of \$106,367 is the difference from the \$700,365. See **Exhibit 5A** for more details.
- We noted that the District has incurred additional debt for equipment financing notes (TD Bank) and therefore additional debt service expenditures. Based upon our review we noted that both the debt proceeds and the debt service for the related notes are being paid from the Hardware and Technology School – District Wide equipment account. There is also debt service being paid from the Special Revenue Fund activity Rebates (E-Rate). E-Rate monies are to be used for technology purchases.
- Beginning in fiscal year 2019, the District began using the equipment financing notes to fund other type of equipment other than technology related. The other type of capital items financed are listed below:

HVAC	2019	\$ 136,030
Vehicle	2019	54,488
Split Air	2020	115,888
Mower	2020	13,224
Band equipment	2020	124,768
		<hr/>
Total		<u>\$ 444,398</u>

BD-6 Recommendation

We recommend that the District properly record capital purchases and debt issuances gross as required by generally accepted accounting principles. This type of activity would be recorded in a capital project fund.

BD-7 Recommendation

We recommend that the District establish debt service accounts (principal and interest) to properly record debt activity.

The improvements to site account should be used for non-maintenance related improvements to the District's property (if any) such as renovation to bathrooms or kitchens, etc.

Review of Budget Development, Budget Transfers and Actual Expenditures

B. Budget Transfers

- We compared the adopted budget, the expenditure budget and actual budget and the final budget to determine if there were any budget transfers made during the year.
- For budget transfers noted, we reviewed the Board of Education meeting minutes to verify that the transfers were properly approved.

Results of Procedures Performed:

The results of the procedures performed are detailed in the Compliance with Charter, Ordinance and State Statutes Related to Education section of this report since budget transfer requirements are governed by State Statutes.

C. Actual Expenditures

We selected transactions for testing to determine if the cash disbursements were properly charged to the correct account number and correct accounting period.

Results of Procedures Performed:

The results of our testing are detailed on **Exhibit 1**.

BD-8 Condition

The results indicated that the District was not in compliance with the following policies and procedures:

- The Town's purchasing policy requirements
- The District's policy for requiring purchase orders for all purchases

Recommendation

We recommend that the District implement procedures to ensure that purchases are made in accordance with the Town's purchasing policy.

We also recommend that the District review the current policy in requiring all purchases to have purpose orders. Certain disbursements such as utilities, debt service, medical and dental payments by their nature and the fact that they are budgeted in separate accounts would not normally need a purchase order. Eliminating certain disbursements types from requiring purchased order reduces unnecessary processes and increase efficiency. The policy should be revised to clearly identify the types of purchases that require purchase orders and those that are exempt. For purchases that are determined to be exempt from purchase orders, proper approval for payment processing should be documented.

Review of Budget Development, Budget Transfers and Actual Expenditures

BD-9 Condition

We also noted that in certain instances, in our judgement the transaction was not charged to the proper budget account for 24 out of 125 transactions tested.

Recommendation

We recommend that the District implement procedures and training to ensure that transactions are recorded to the proper account.

For fiscal year 2020, the State Department of Education as part of the audit of the EFS Form is requiring auditors to test up to 140 transaction to determine if the transaction is recorded in the proper account.

**Additional
Procedures
Performed**

Additional Procedures Performed

As a result of the additional procedures performed not included in other sections of the report are as follow:

Procedures Performed

Tuition Payment Claim

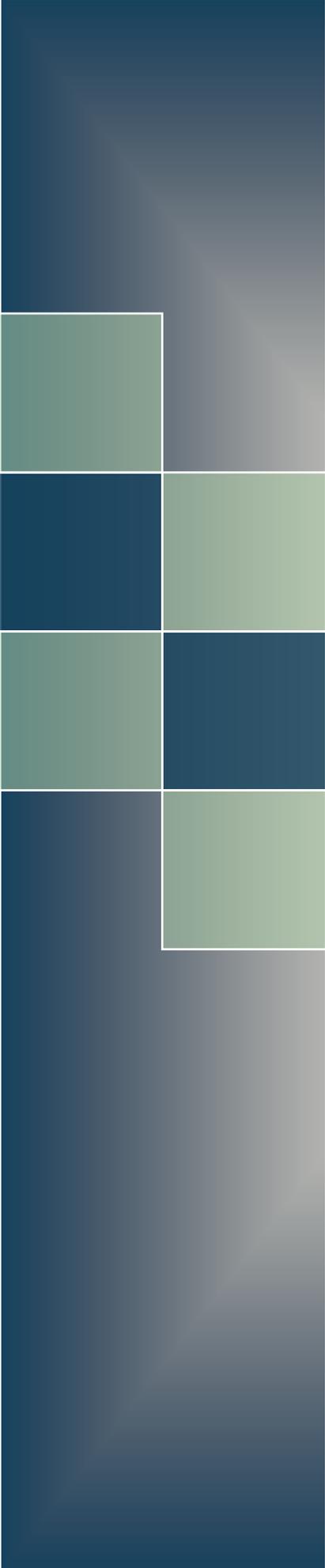
We reviewed the relevant documentation related to the claim by the City of Bridgeport regarding the amounts due for tuition payments for special education students who were sent to the City's schools.

Results of Procedures Performed

Based upon review of the documentation provided and additional documentation that was provided by the District, it was determine that certain amounts were owned to the City of Bridgeport for special education services. The District has disputed certain invoices from the City which had not been resolved.

Upon discussion with the Business Office, we learned the City of Bridgeport owed the District \$894,001 for the fiscal years 2018 through 2020 tuition for the Agriscience program, which the City has refused to pay based upon the dispute related to the special education billing.

It is our understanding that the amounts due to and due from the City were resolved by the District without the need for any disbursement as both parties agreed to offset the amount due.



A Report of Opportunities for Operational Efficiencies and Shared Services

**for the Town of Trumbull and the
Trumbull Board of Education**

A Report of Opportunities for Operational Efficiencies and Shared Services

Submitted By:

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Executive Summary

The Town of Trumbull (Town) engaged Gibson Consulting Group, Inc. (Gibson) to perform an analysis of operating and management systems of the Town and of Trumbull Public Schools (TPS), and to identify opportunities for efficiencies and shared services.

The project's methodology consisted of analyzing data, including staffing charts, staffing rosters, expenditure and budget reports, policies and procedures, Town Charter, and software and hardware inventories. In addition, peer comparisons of similar towns and school districts were conducted, including conducting a brief telephone survey of peer town financial directors. The review team conducted two site visits to interview Town and TPS staff and board members in order to gain an understanding of operations, obtain an understanding of data, and to listen to ideas and/or concerns regarding efficiencies and shared service opportunities.

Research shows that Connecticut is behind other states in the northeast with respect to shared services between municipalities and school systems, although there are examples of successful practices in the state. There is a lack of funding from the state, unlike other northeastern states, to encourage the sharing or consolidating of services. However, this should not prevent Trumbull from seeking efficiencies and cost savings through sharing or consolidation.

The Town of Trumbull and Trumbull Public Schools share some services now on an informal basis, and several other opportunities exist to formalize and expand such services. This report contains 26 recommendations that will result in improved efficiency, lower combined cost of operations, higher quality of service in the long-term, and improved internal control. This study recommends implementing shared administrative, operational, and technology services over the next several years.

Both the Town of Trumbull and TPS underutilize their information systems and still rely on time- and paper-intensive manual processes. TPS also maintains duplicate information systems that are unnecessary. The Town and TPS should maximize the use of the Enterprise Resources Planning (ERP) software, seek to consolidate the license agreements, and re-engineer processes to take advantage of software capabilities and other current technologies. Timekeeping, payroll, human resources management, position control, accounts payable, and collections are processes that could be streamlined.

The Town and TPS should negotiate with their bargaining units to consider consolidating their health insurance programs and join the state's new health insurance program, now open to municipalities and local boards of education. By being part of a large state pool, premiums net of employee contributions could be reduced by at least \$1 million annually. The state plan, called CT Partnership Plan, appears to have benefits similar to those of the Town and TPS.

The Town and TPS should incorporate performance/efficiency measurement into the budget process to ensure long-term efficiency and effectiveness. This will also enhance the transparency of spending by

both organizations. Transparency will also be improved by the restructuring of TPS financial accounting codes and definitions to be mutually exclusive.

Many of the recommendations made in this report have no fiscal implications, though they may provide efficiencies or better practices for the Town and TPS. Recommendations for consolidating or sharing services depend on both the Town and TPS improving their uses of technology as well as looking at current processes before combining functions.

Once fully implemented, the recommendations contained in this report will result in cost savings of over \$2.7 million per year for the Town and TPS combined.

Recommendations to combine operations for finance, information technology, and maintenance could result in annual savings of almost \$175,000 annually. Outsourcing TPS's custodial function would result in savings of \$700,000 annually beginning in 2014-15.

Reinstating TPS's policy establishing a one-mile walking radius for elementary school students can save the district \$400,000 annually. Increasing staffing efficiencies and increasing student meal participation would allow the TPS food service operation to reimburse \$135,000 annually to the General Fund for cafeteria operational expenditures not currently being allocated.

By sharing a single Enterprise Resource Planning system rather than maintaining two separate systems, the Town and TPS could save at least \$92,000 in software maintenance and licensing fees annually.

Recommendations also include an estimate for needed investments in technology, including the purchase and implementation of an automated timekeeping system for both the Town and TPS. One-time expenditures related to timekeeping software installation and training amount to \$213,000, with annual software maintenance fees estimated to be \$20,000 annually. Also included is a one-time fiscal impact of \$10,000 for an analysis of the Town's and TPS's ERP system to determine more efficient use of the technology.

Table 1 presents a list of all recommendations and the resulting fiscal implications over the next five years. This table indicates whether a recommendation requires the sharing or consolidation of services, or whether it results in efficiencies for either the Town or TPS, or both. See Attachment A for fiscal impacts for each year.



Table 1. Recommendations Summary

Recommendation	Shared or Consolidated Services	Efficiency		5-Year Fiscal Impact
		Town	TPS	
Administrative Services				
3.1 Consolidate the accounts payable and payroll functions of the school district into the Town of Trumbull's Finance Department.	✓			\$191,505
3.2 Improve purchasing power by collaborating on bulk purchases and making better use of cooperative purchasing arrangements.		✓	✓	TBD
3.3 Ensure that both the Town and TPS have regular internal audits that are based on comprehensive risk assessments.	✓			(\$25,000)
3.4 Implement an automated timekeeping system for both the Town of Trumbull and for Trumbull Public Schools.		✓	✓	(\$293,000)
3.5 Implement a mandatory direct deposit policy for both the Town of Trumbull and Trumbull Public Schools.		✓	✓	TBD
3.6 Streamline the payroll process by moving to less frequent payrolls.		✓	✓	TBD
3.7 Incorporate efficiency measurement into the Town of Trumbull and the TPS budget development process to ensure efficiency in future years.		✓	✓	TBD
3.8 Improve financial transparency by overhauling the TPS chart of accounts.			✓	(\$15,000)
3.9 Conduct a detailed audit of the TPS payroll function, including employee leave reporting processes.			✓	(\$15,000)
Technology				
4.1 Investigate opportunities for consolidated or shared IT services between the Town and TPS and develop a consolidated IT plan.	✓			\$276,000
4.2 Upgrade technology equipment and network infrastructure based on current and future needs.			✓	TBD
4.3 The Town of Trumbull and TPS need to fully implement Munis, and TPS needs to eliminate duplicate information systems.		✓	✓	(\$10,000)
Maintenance and Custodial Services				
5.1 Develop a cooperative maintenance and custodial function between TPS and the Town.	✓			\$444,308
5.2 Conduct a comprehensive energy audit.		✓	✓	TBD
5.3 Over the next three years, convert up to 25 percent of the custodial work force from 260-day to 186-day schedules.			✓	\$522,000
5.4 Consider outsourcing custodial services.			✓	\$2,100,000
Food Services				
6.1 Implement a more efficient schedule to achieve an increase in Food Services staffing efficiencies.			✓	(1)

Recommendation	Shared or Consolidated Services	Efficiency		5-Year Fiscal Impact
		Town	TPS	
6.2 Increase student participation rates in TPS school cafeterias.			✓	(1)
6.3 Increase TPS school lunch prices.			✓	(1)
6.4 Allocate general fund expenditures incurred by Food Services to that operation.			✓	\$675,000
Student Transportation				
7.1 Restructure the transportation contract upon its expiration in 2013.			✓	TBD
7.2 Return to former policy of enforcing a one-mile walking radius for elementary schools.			✓	\$1,708,000
Employee Health Insurance				
8.1 Consider consolidating the Town and TPS health insurance programs and moving to the new State Health Insurance Program.	✓	✓	✓	\$4,000,000
8.2 Phase out the payment in lieu of benefits for employees waiving participation in the health insurance program.		✓	✓	(2)
Tax Assessment and Collection				
9.1 Engage in dialog with neighboring Towns and the fire districts to form consolidated property assessment and tax collection efforts.	✓			TBD
9.2 Develop alternative payment mechanisms for the Town of Trumbull Tax Collection Office.			✓	TBD
Net Fiscal Impact over five years				\$9,588,813

Table Notes:

⁽¹⁾ Savings associated with these recommendations will accrue to the Food Services Fund, not the General Fund. However, implementing these recommendations will allow the Food Service Fund to fully cover its share of expenditures now being incurred by the General Fund (Recommendation 6.4).

⁽²⁾ Implementation of this recommendation will result in an annual savings estimated to be \$100,000. However, this recommendation should be implemented to affect new employees, so the savings would be realized after five years.

Chapter 1 – Profile of Trumbull

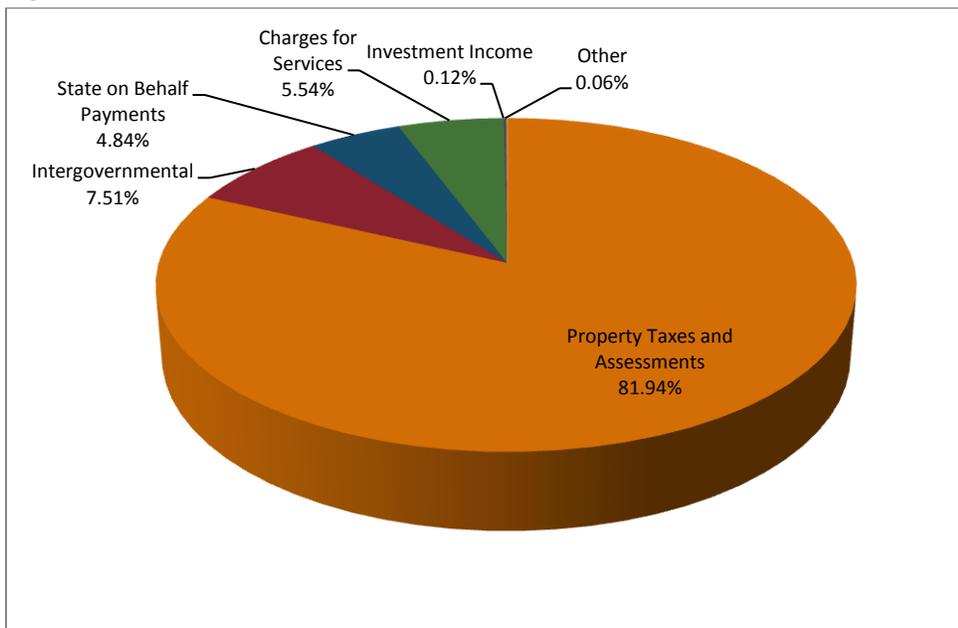
Town of Trumbull

The Town of Trumbull (Town) is located in southern Connecticut and has a population of 36,018 according to the 2010 census. The Town has recently received accolades for its quality of life. *Family Circle* magazine listed Trumbull as the 7th “Best Town for Families” in the US in July 2011, *U.S. News and World Report* magazine in June 2011 ranked the Town one of the best 15 places to retire in Connecticut, and RelocatedAmerica.com ranked Trumbull in their annual list of America’s “Top 100 Places to Live.”.

The median household income in Trumbull is \$103,082 – 48.5 percent greater than the state average and 86.4 percent greater than the national average. Trumbull’s per capital income (\$46,307) is 28.1 percent greater than the Connecticut average and 68.7 percent greater than the national average. Trumbull has a low poverty level with 2.6 percent of the population classified as living below the poverty level. Trumbull also has a relatively low unemployment rate compared to national rates. The latest data available shows the Town’s unemployment rate to be 7.4 percent, compared to the national rate of 9.1 percent.

The primary source of funding for the Town of Trumbull is through local property taxes, which totaled \$127.7 million in fiscal year 2011 and represented 81.9 percent of total revenues (\$153.3 million in fiscal year 2011). Figure 1.1 shows the sources of funds for the Town.

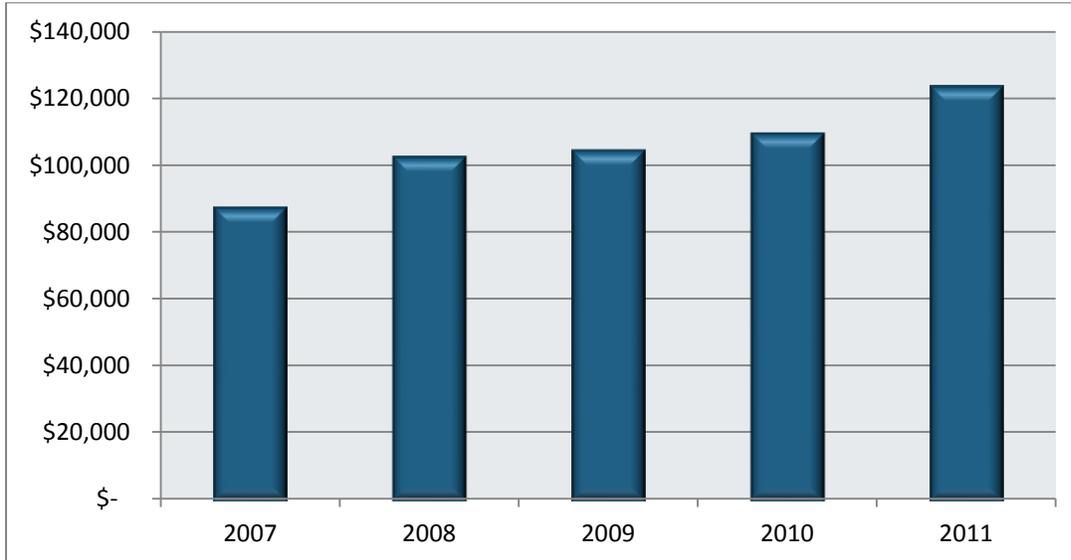
Figure 1.1. Town of Trumbull Sources of Revenue for Fiscal Year 2011



Source: GASB financial statements for 2010-11

In light of the economic difficulties faced by the state of Connecticut and the United States in general, Trumbull has managed to maintain growth in its fund balance. Figure 1.2 displays five-years of ending fund balances for the Town, which shows steady increases from year to year. Between fiscal year 2007 and fiscal year 2008, the fund balance increased by 17.3 percent due to a \$24.2 million on-behalf of payment from the state for teacher retirement.

Figure 1.2. Trumbull Fund Balance – Fiscal Years 2007 through 2011 (\$ in Thousands)

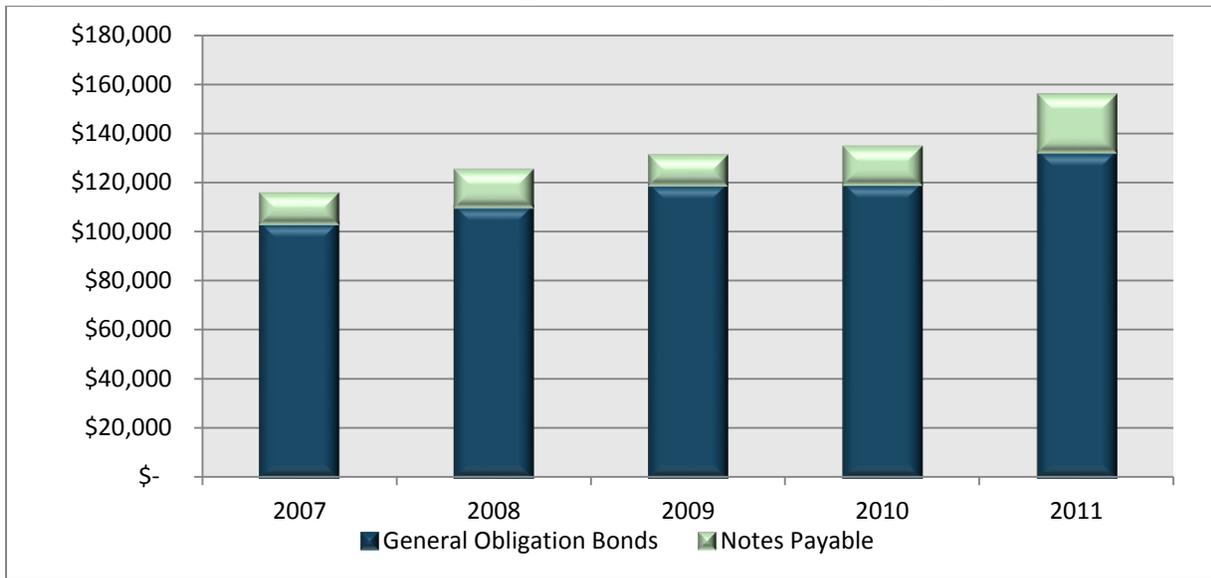


Source: GASB financial statements for the years indicated

However, counter to the increase in ending fund balance, the Town has also seen steady increases in its outstanding debt totals as shown in Figure 1.3. Total outstanding debt is primarily made up of general obligation bonds, with notes payable comprising the remainder. Trumbull's general obligation debt increased from fiscal year 2010 to 2011 by \$22 million, or 15.7 percent. The increase is related to additional bond issuances for a sewer construction project (\$12 million) and building renovations for Trumbull High School (\$10 million).

State of Connecticut statutes limit local government entities' general obligation debt to seven times their annual tax collections. In 2011, Trumbull's limit was \$899.8 million, significantly higher than its 2011 general obligation debt of \$132.4 million.

Figure 1.3. Town of Trumbull Outstanding Debt – Fiscal Years 2007 through 2011 (\$ in Thousands)



Source: GASB financial statements for the years indicated

Trumbull Public Schools

Trumbull Public Schools (TPS) students outperform the average of all Connecticut students on the Connecticut Mastery Test (CMT) in all grades tested (Grades 3 through 8) and in all subjects tested (Reading, Writing, and Mathematics). Table 1.1 shows the district's results of the Connecticut Academic Performance Test (CAPT) administered to all state Grade 10 students. In the 2010-11 school year, TPS's 10th grade students outperformed the average student in the state in reading, writing, mathematics, and science with the greatest percentage difference seen in science (26 percentage points).

Table 1.1. Percent TPS Students Meeting State Goals on CAPT with Comparison to State

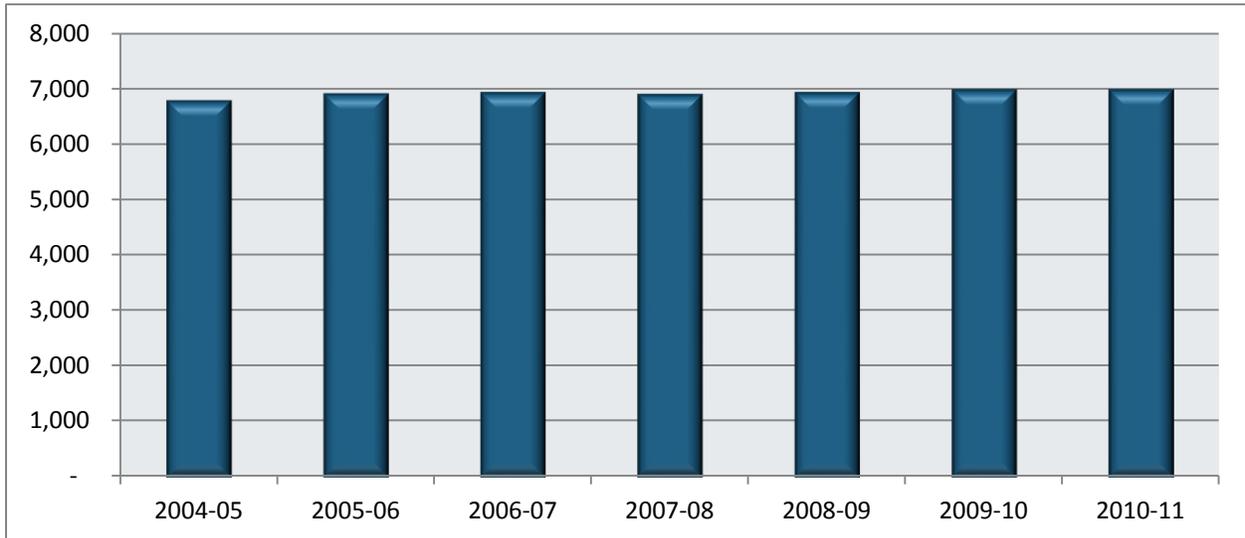
CAPT Subject Area	Percent TPS	Percent State	Percent of Districts in State with Equal or Lower Percent Meeting Goal
Reading Across the Disciplines	61.4	44.7	73.5
Writing Across the Disciplines	85.4	61.2	88.0
Mathematics	71.6	49.5	81.2
Science	73.0	47.0	89.5

Source: Strategic School Profile 2010-11, Connecticut Department of Education

TPS has a student enrollment of approximately 7,000 at its nine schools. Just over 6 percent of district students qualify for free or reduced lunch (FRP) prices – well below the state average of 34.1 percent – while 1.6 percent of students are considered not fluent in English, compared to 5.6 percent for the state average.

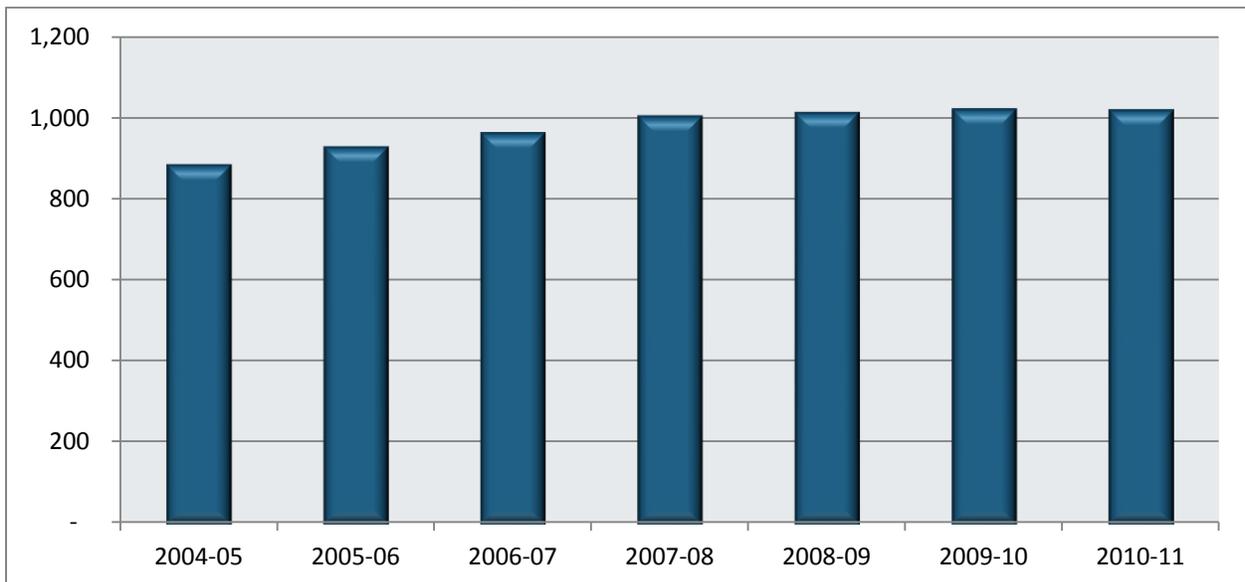
From 2004-05 through 2010-11, TPS staff growth (15 percent) outpaced enrollment growth (3 percent), with the most notable increases in staff between 2004-05 and 2007-08 (an increase of 119 staff). Figures 1.4 and 1.5 show TPS enrollment and staff growth since 2004-05.

Figure 1.4. TPS Student Enrollment – 2004-05 through 2010-11



Source: CEDaR 2002-2010

Figure 1.5. TPS Total FTEs – 2004-05 through 2010-11



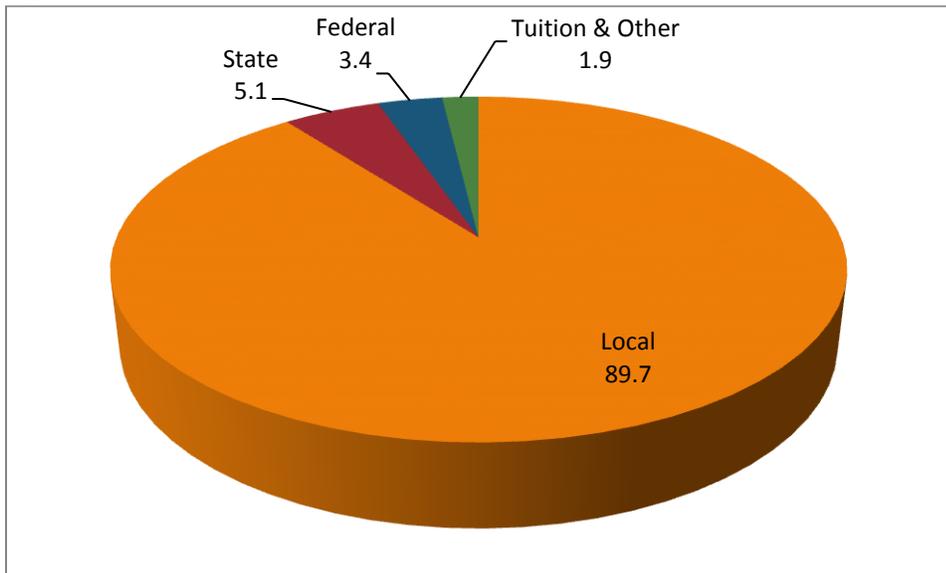
Source: CEDaR 2002-2010

The primary source of state funding aid provided to Connecticut schools is through the Education Cost Sharing (ECS) formula. The design of the formula attempts to equalize funding by taking a town's wealth and ability to raise property taxes to pay for education into account. Therefore, affluent towns like

Trumbull receive less aid per student than those towns that have fewer resources. ECS funding was frozen at the FY 09 level, and the state budget called for that level to continue through FY 13. However, Governor Malloy recently proposed ECS funding increases to most Connecticut towns. If approved, TPS is slated to receive an additional \$163,344, or \$24 per student, for FY 2012-13.

Trumbull Public Schools received \$3,031,988 in state funding, which represents 5.1 percent of its total funding (Figure 1.6). The district's primary source of funding is through local taxes, which accounts for 89.7 percent of total revenues. Federal revenue (3.4 percent of total funding) and tuition and other fees (1.9 percent of revenues) account for the remainder.

Figure 1.6. TPS Sources of Revenue for FY 2010



Source: Strategic School Profile 2010-11, Connecticut Department of Education

Based on 2009-10 financial data (the most recent statewide data available), TPS spends less money per student compared to the District Reference Group (DRG) and compared to the state. DRGs are a classification of Connecticut school districts whose students' families are similar in education, income, occupation, and need and that have roughly similar enrollment. TPS spent a total of \$12,952 per student, as compared to \$13,518 for the DRG and \$13,780 for the state. Per student expenditures for instructional staff and services in TPS amounted to \$7,124 in 2009-10, while the DRG spent an average of \$7,924 per student and all schools in the state spent an average of \$8,237 in this expenditure category for this time period. Table 1.2 shows a comparison of TPS expenditures to DRG and State average expenditures for ten expenditure categories.

Table 1.2. District Expenditures for 2009-10, with Comparison to DRG and to State

Expenditures (Unaudited)	Total (in 1,000s)	Percent	Expenditures Per Pupil		
			TPS	DRG	State
Instructional Staff and Services	\$49,964	55%	\$7,124	\$7,924	\$8,237
Instructional Supplies and Equipment	2,063	2%	294	277	300
Improvement of Instruction and Educational Media Services	3,552	4%	506	512	463
Student Support Services	6,559	7%	935	936	872
Administration and Support Services	10,464	12%	1,492	1,373	1,459
Plant Operation and Maintenance	9,451	10%	1,347	1,384	1,410
Transportation	4,661	5%	646	623	692
Costs for Students Tuitioned Out	3,205	4%	N/A	N/A	N/A
Other	836	1%	119	162	159
Total	\$90,756	100%	\$12,952	\$13,518	\$13,780
Additional Expenditures					
Land, Buildings, and Debt Service	\$7,992	N/A	\$1,139	\$1,178	\$1,616

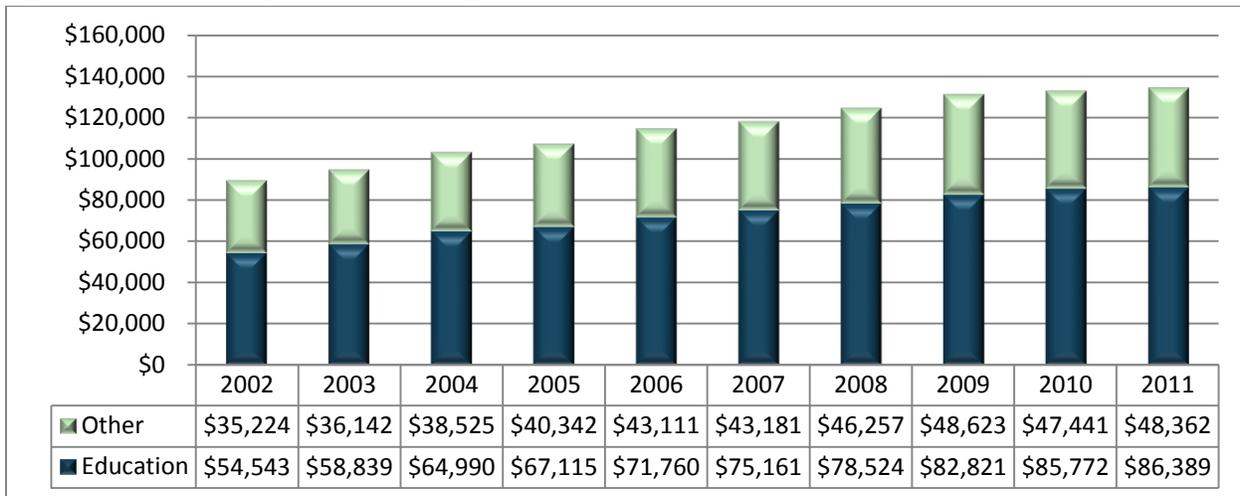
Source: Strategic School Profile 2010-11, Connecticut Department of Education

In January 2012, the district presented the Town Council with a budget amounting to \$91.9 million for 2012-13, representing an increase of 5.1 percent from the prior year's allocation of the Town Council. The Town's First Selectman recommended, and the Board of Finance and Town Council approved, an increase in school funding for 2012-13 of 3.5 percent.

Town of Trumbull and Trumbull Public Schools Ten-Year Expenditure History

Figure 1.7 shows total Trumbull expenditures for the past ten years, broken down by education expenditures and all other functional expenditures¹. TPS represents the largest portion of Trumbull's total budget, amounting to 64 percent in fiscal year 2010-11.

¹ All other functions include the operations of general government, public safety, public works, public health, social services, libraries, and parks and recreation.

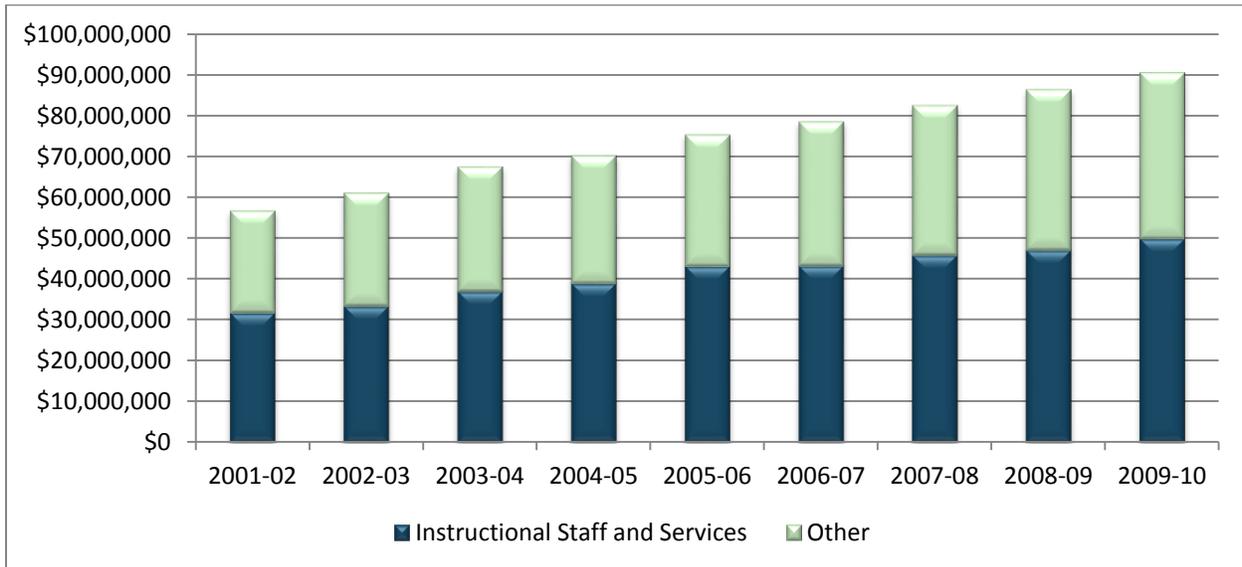
Figure 1.7. 10-Year Expenditure History, Town of Trumbull – 2002-2011 (\$ in Thousands)

Source: Town of Trumbull GASB Financial Statements, 2002-2011

Over the ten-year period, TPS expenditures increased at an average of 5 percent per year, while the Town's expenditures increased by an average of 4 percent annually. As a result, TPS has become a slightly larger percentage (3 percentage points) of the Town budget.

Figure 1.8 shows TPS's nine-year expenditure history broken down into instructional staff and services expenditures and all other expenditures. In 2009-10, the most recent data available from the Connecticut Education Data and Research state data base, instructional expenditures represented 55 percent of total TPS spending. The trend over this nine-year period shows other TPS expenditures increasing at a higher rate than instructional expenditures for some years. For instance, in 2002-03, when instructional expenditures increased by just over 5 percent, other expenditures increased by almost 11 percent. This also occurred in 2006-07 when other expenditures increased by almost 10 percent while instructional expenditures increased by 0.2 percent. Overall, instructional expenditures have increased over 56 percent from 2001-02 to 2009-10, compared to other expenditures increasing by 62 percent for this same time period.

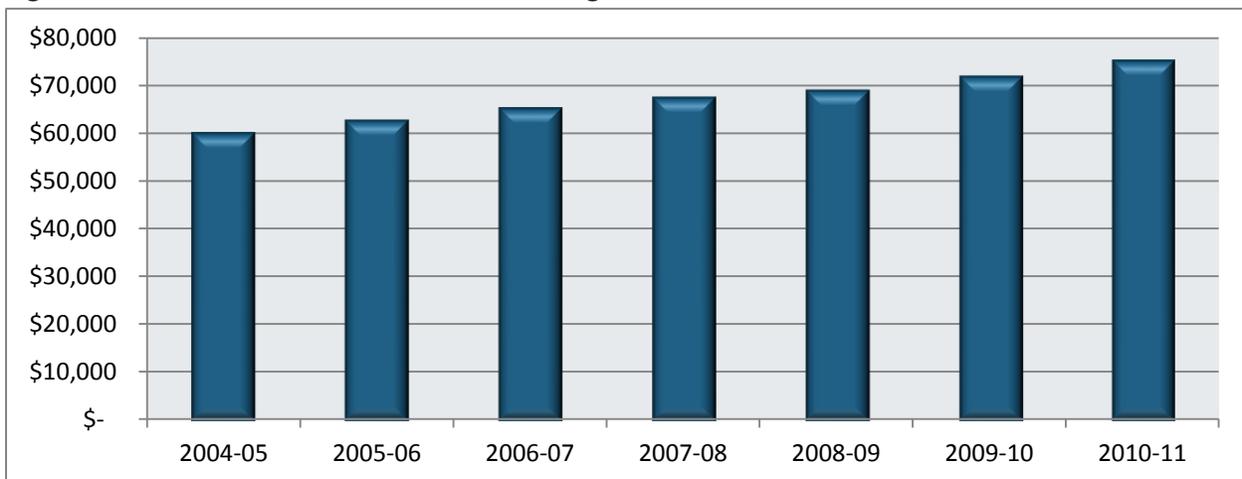
Figure 1.8. Trumbull Public Schools, Instructional Expenditures and Other Expenditures – 2002-2010 (\$ in Thousands)



Source: CEDaR 2002-2010

Figure 1.9 shows average teacher salaries for TPS for 2004-05 through 2010-11. Teachers have seen an average salary increase of just over 4 percent each year, except in 2007-08 and 2008-09 when the increases amounted to approximately 3 percent and 2 percent, respectively.

Figure 1.9. TPS Teacher Salaries – 2004-05 through 2010-11



Source: CEDaR 2002-2010

Chapter 2 – Shared Services Introduction

With the downturn in economy and heightened emphasis on controlling costs through eliminating duplicative services, shared service arrangements are being implemented throughout government at all levels. Many states are encouraging the sharing of services by enacting legislation to allow municipal and other local governments to cooperatively conduct business. States such as New York and New Jersey are on the forefront of acknowledging the benefits of sharing services and provide grants and incentives to local governments for start-up or research costs for helping local governments to implement the sharing of services.

While the state of Connecticut has acknowledged the benefits of promoting the sharing of services at the local government level, the state does not have many incentives to encourage shared services. The sections presented below outline best practices present in other Northeastern states.

Shared Services in Northeastern States

New York State

The New York State Comptroller, Division of Local Government and School Accountability, issued a report in November 2009 detailing shared services best practices identified in the state. The study found that certain administrative or “back office” functions provide potential for savings because they are fairly easy to implement and the services provided are similar among entities.

Among the highlights of that report are that shared service arrangements in the state have identified savings of between 2 and 5 percent. Functions identified for shared services include:

- Administrative
 - Accounting functions (staff, payroll processing, software)
 - Procurement
 - Real Pty tax collection and assessment
 - Records management
- Health Insurance
- General Operations
 - Equipment sharing
 - Fuel facilities
- IT Functions
 - IT administration
 - IT asset management (procurement, maintenance, support)
 - IT security

While much of New York's shared service agreements between local government entities have been for public safety, public works projects, and justice courts, school business office functions have also been shared with a great degree of success. Payroll, technology, utility purchases, food delivery, and sports programs are some of the areas in which New York's school districts have been studying the possibility for consolidation.

One of the best practices identified in the Comptroller's report includes the Nassau County School and Municipal Savings Initiative, a joint project of county, school districts, and the Nassau Board of Cooperative Educational Services (BOCES), which are similar to Connecticut's Regional Education Service Centers (RESC), to reduce the cost of back office functions through shared services. The county and the BOCES are providing support to the 56 school districts in the county, including information technology, telecommunications, purchasing, audit services, debt issuance, and legal services for an estimated savings of \$5 million annually. The joint effort was awarded a \$1 million grant from the state to help streamline its administrative functions.

New Jersey

The state provides incentives to local governments to share services in order to lower costs and improve efficiency in government service provision. Some of the successes in the state include consolidations of policing units and creating local government positions to oversee shared services efforts.

New Jersey's Local Unit Alignment Reorganization and Consolidation Commission (LUARC) was created in March 2007. LUARC studies cost structures, optimal service levels and best practices and recommends specific consolidations and shared services for specific municipalities. Local voters ultimately decide on consolidations and shared services recommendations.

Some of the best practices related to school/town sharing identified in New Jersey include:

- Shared Public Works Maintenance
 - Fanwood Borough is sharing maintenance facilities with Scotch Plains Township.
- Information Technology Services & Support
 - Millville City and the Millville Board of Education are sharing information technology and network facilities.
- Vehicle Maintenance
 - Red Bank Borough is sharing with Red Bank Board of Education on cooperative maintenance.
- Recreational Fields and Facilities
 - Holmdel Township and Holmdel School District are sharing recreation services.
- Computer and Technology Laboratories

- Woodbine Borough and the Woodbine School District are sharing school technology laboratory and a community library.
- Library and Reference Collections
 - Fanwood Borough and Scotch Plains Township are sharing library collections, data bases and reference services.
- Gasoline and Vehicle Fueling Services
 - Township of Manalapan is sharing with the Borough of Englishtown and the Manalapan/Englishtown School District on joint fuel facilities.

Shared Services in Connecticut

Though several boards and commissions at the state level have researched the sharing of services in Connecticut, little documentation exists that shows significant accomplishments for shared services at the state level. Perhaps the most widely-used form of sharing or consolidating services is through the regional councils of governments allowed under Connecticut law.

The state is divided into 15 Regional Planning Organizations (RPO), and municipalities within each of the regions have voluntarily created, through local ordinance, one of three types of RPOs to carry out a variety of regional planning and other activities: Regional Council of Elected Officials, Regional Council of Governments, or Regional Planning Agencies. The state of Connecticut provides limited funding to the RPOs with only \$90,000 appropriated in 2011. The Town of Trumbull belongs to the Greater Bridgeport Regional Council, the focus of which is transportation, land use/regional growth, economic development, environment/sustainability, and public safety.

Other RPOs such as the Capitol Region Council of Governments (CRCOG) assist local governments with sharing services such as solid waste management, animal control services, purchasing councils, mobile data communications systems for police organizations, and supply of electricity services. Some RPOs lobby on behalf of their municipal members on issues concerning revenue options for local governments, transportation, solid waste management, and funding for education.

Successful shared services efforts on the part of CRCOG include its purchasing council for member local governments to consolidate their bidding and purchasing efforts, a pilot program for towns to share an online building permits application and tracking system, as well as information technology application sharing and development. The CRCOG also provides grant funds to municipalities wishing to implement certain shared services.

Another area of sharing or consolidating services that seems to be effective in the state is that of providing health services to communities. Under Chapter 368f of the Connecticut General Statutes – District Departments of Health – towns and municipalities who form health districts rather than maintain their own health department can receive additional state funding for health services. The state currently has 74 health departments serving its 169 towns and cities; 50 of these departments are full-

time and 24 are part-time. Of the 50 part-time departments, 29 are municipally operated and 21 are operated through districts.

Chapter 170 – Boards of Education – Section 10-239k of the Connecticut General Statutes states:

Any two or more boards of education may, in writing, agree to establish shared service agreements between such boards of education or between such boards of education and the municipalities in which such boards of education are located.

This legislation, effective October 1, 2010, also provided additional grant funding for school districts that consolidated transportation efforts with a neighboring district or districts in fiscal year 2011.

Connecticut also has established Regional Educational Service Centers (RESC) throughout the state to provide school districts with quality, cost-effective collaborative programs and initiatives. There are six RESCs throughout the state, and the Cooperative Educational Services (CES) RESC, located in the Town of Trumbull, serves Trumbull Public Schools as well as 15 other districts in lower Fairfield County.

Shared Services in Trumbull

The Town of Trumbull and Trumbull Public Schools have several shared services, although they are primarily informal in nature with no interlocal agreements or memorandums of understanding (MOU) in place setting forth the terms of the shared services.

Services that the Town provides to TPS for which they charge include property, casualty, liability, and workers' compensation insurance, joint purchases of fuel, and construction management. The Town and school district use the same employee health insurance provided – Anthem – but each entity maintains and pays for its own plans.

The Towns of Trumbull and Monroe combined their individual health departments in 2004. The Trumbull Monroe Health District (TMHD) serves the residents of the two towns, and receives funding through an allocation of \$6.79 per resident from each town as well as funding from the state Department of Public Health.

TMHD has 15 full-time and three part-time nurses on staff. The full-time nurses are stationed at TPS school sites, one part-time position services senior citizens, and two part-time positions serve the general public. The Town charged TPS \$719,859 in fiscal year 2011 for the nurses staffed at the schools.

The Town provides several services to the school district for which they do not charge including:

- Police – the Town provides one full-time officer to patrol the schools, while all security guards are paid for by TPS
- Bond program accounting, reporting, and purchasing
- Some purchasing services
- Recreational field maintenance

- Recreational facilities and pools
- Telephone system
- Crossing guards

The Town and the school district also use the same software vendor for their enterprise resource planning (ERP) system, but maintain separate agreements and licensing fees.

The RESC located in Trumbull, Cooperative Educational Services, provides several services to lower-Fairfield County school districts including:

- Executive searches
- Professional development for teachers, administrators
- Technology services including email, internet access, data storage, and printing
- Special Education transportation services
- Special Education programs and services
- Magnet school program

TPS takes reasonable advantage of the services offered by CES, including curriculum development, professional development of various types, Special Education programs and Special Education transportation. In addition, TPS has a strong presence in its PK-8 Six to Six Magnet School as well as its Regional Center for the Arts program for high school students.

Trumbull Compared to its Peers

Gibson conducted a peer telephone survey to determine how Trumbull's shared services compares to similar towns in Connecticut. The survey attempted to derive information regarding each town's level of shared services, including general shared service opportunities and agreements between the town and school system, combined insurance procurement, shared services with other organizations, participation in cooperative purchasing arrangements, and participation in the state health insurance plan.

There are 19 districts comprising District Reference Group B to which TPS belongs. Four districts and towns from the DRG were selected for comparison, as well as two districts and towns outside of the DRG. The towns/school districts within DRG B selected for comparison were Cheshire, Glastonbury, Monroe, and Newtown. Shelton and Westport are the comparison towns/districts from outside DRG B. One of the peer towns – Monroe – did not respond to the peer survey. The survey was conducted by contacting the Finance director in each town and soliciting answers to a set of questions.

Table 2.1 presents an overview of Trumbull and the peer towns selected for comparison.

Table 2.1. Demographics for Town of Trumbull and its Peers

Town/City	Form of Govt.	Pop-ulation	Land Sq. Mi.	Median Household Income	Un-employment Rate	Mill Rate	New Housing Authori-zations (Total Units)	TANF Receipts
Trumbull	Selectman/Council	36,062	23.29	\$103k	7.2%	24.07	5	0.1%
Cheshire	Council/ Manager	29,260	32.91	\$80k	7.1%	26.05	39	0.1%
Glastonbury	Council/ Manager	34,467	51.37	\$58k	6.5%	29.05	48	0.2%
Monroe	Selectman/ Town Meeting	19,466	26.13	\$85k	7.5%	29.5	6	0.1%
Newtown	Selectman/ Town Meeting	27,605	57.76	\$90k	6.7%	23.43	14	0.2%
Shelton (city)	Mayor/ Council	39,580	30.57	\$67k	8.1%	18.61	31	0.3%
Westport	Selectman/ Representative Town Meeting	26,393	20.01	\$147k	6.1%	14.41	63	0.0%

Source: *Municipal Fiscal Indicators*, November 2011 published by the Connecticut Office of Policy and Management.

Table 2.2 shows how Trumbull compares to the peer town for selected financial indicators. Trumbull falls in the middle of the peer group in terms of per capita expenditures of \$3,853. The Town of Newtown has the lowest per capital spending of \$2,789 while Westport has the highest at \$6,662. Despite Trumbull's \$22-million bond issue in fiscal year 2011, Trumbull maintains the second-lowest per capita debt of \$2,145, with the city of Shelton having the lowest at \$1,602. The Town of Westport carries the highest per capita debt of the peer group of \$6,437.

"Grand list" amounts represent the total appraised value of property in a jurisdiction. Equalized net grand list (ENGL) figures represent total appraised property adjusted for exemptions and market value. Of the peer group, Trumbull has the third-highest ENGL amount of \$6.5 billion, behind the city of Shelton (\$6.8 billion) and the Town of Westport (\$14.7 billion). Trumbull's grand list growth has been less than 1 percent for each of the last three years.

The ratio of debt to ENGL represents the relative ability of a jurisdiction to pay off its debt using property tax revenue. With a debt-to-ENGL ratio of 1.1 percent, Trumbull is second lowest of the peer group, behind the city of Shelton's debt-to-ENGL ratio of 0.9 percent.

Table 2.2. Financial Indicators for Town of Trumbull and its Peers

Town/City	Moody's Bond Rating	Total Expenditures	Expenditures per Resident	Debt per Capita	Equalized Net Grand List (\$ in Millions)	Ratio of Debt to Equalized Net Grand List
Trumbull	Aa2	\$138,959,997	\$3,853	\$2,145	\$6,491	1.1%
Cheshire	Aa1	\$96,899,377	\$3,312	\$2,170	\$4,133	1.6%
Glastonbury	Aaa	\$138,708,507	\$4,024	\$2,404	\$5,803	1.4%
Monroe	Aa2	\$74,819,797	\$3,844	\$2,261	\$3,278	1.2%
Newtown	Aa1	\$106,501,309	\$3,858	\$2,700	\$4,780	1.5%
Shelton (city)	Aa2	\$110,391,982	\$2,789	\$1,602	\$6,818	0.9%
Westport	Aaa	\$175,554,068	\$6,662	\$6,437	\$14,736	1.2%

Source: *Municipal Fiscal Indicators*, November 2011 published by the Connecticut Office of Policy and Management.

Trumbull's peers vary in their use of shared services. Table 2.3 presents the results of the peer survey regarding different types of shared services and cooperative arrangements. The questions asked during surveys appear across the top of the table chart, with each town listed in the location column. Each town's response falls below the corresponding question.

Table 2.3. Results of Peer Survey

Location	Shared Service Agreements with School Districts?	Jointly Purchase Insurance?	Shared Service Agreements with Other Entities?	Cooperative Purchasing Arrangements?	Medical Insurance Through CT Partnership Plan?
Trumbull	Informal sharing of services for some insurance, school nurses, some purchasing, school resource officers and school crossing guards, recreational and field maintenance, telephone system.	Yes for property, casualty, and liability insurance. Town and school have same employee health ins provider, but separate policies.	Member of a health district with Town of Monroe.	Can purchase off state contracts.	No.
Cheshire	No - use same accounting system but each pay our own way. Same town attorney but everyone pays their own way.	Yes – all types.	Member of a health district with three other towns.	Yes – a few. Capital Regional Council of Governments, and Central Nagataouk Valley Council of Governments.	No.
Glastonbury	No.	Town makes arrangements for insurance and then education pays their portion and the town pays their portion.	Shared building permit system with CRCOG along with eight other entities. Went out for competitive bid and was customized to fit their needs. It's a shared application in the cloud. They do not need a formal sharing arrangement because each entity has a relationship with the regional planning agency that manages it.	CRCOG. Towns pay a member fee to participate with them on many levels - cooperative purchasing only one level. They solicit many things, including fuel, tires and tubes, and fire hose testing.	No.
Monroe	Non-responsive.				

Location	Shared Service Agreements with School Districts?	Jointly Purchase Insurance?	Shared Service Agreements with Other Entities?	Cooperative Purchasing Arrangements?	Medical Insurance Through CT Partnership Plan?
Newtown	Cooperate on building maintenance. Board of Ed helps us - plumbers, electricians, if we need a building fixed they fix it. Informal relationship. We maintain their fields (grounds). We are now in the same building with the board of Ed which makes it easier. No agreements, just budgeted that way. No charge backs. IT departments now located in the same area in the same building so can cooperate informally. Will be combining financial systems (based on results of a recent study that was just conducted)	Yes, self-insurance fund - both have same administrator for insurance. Both participate with Connecticut Interlocal Risk Management Agency. Share in worker's comp and general liability.	Public Works has informal arrangements with board of Ed and with other towns - they assist each other, borrow equipment etc. No contracts.	Yes. Joint purchasing of heating oil through a regional consortium (couldn't remember the name of it). Are trying to catch up with the school district on their electrical period so that they can share with that also.	No.
Shelton	No. They are autonomous. They have separate purchasing departments but will go out to bid together through town centralized purchasing. Nothing formal.	Used to jointly purchase worker's comp, but it is separated now.	No.	No. Can participate in a state contract, but they have always found that they save money if they do it themselves.	No.
Westport	The town manages the union that the board of Ed's people are in - the custodians and such. We manage their retirement accounts.	We share all insurance EXCEPT for employee medical. That used to be shared, but the school district went out on their own.	Participate in a health district with Westin.	The board of Ed and the town share purchasing on electricity, fuel, oil, and certain other items like paper, phones, IT equipment, etc.	No.

As local governments face the challenges of closing budget deficits now and in the foreseeable future, shared service opportunities should be closely examined, particularly where service duplication can be eliminated without risking a decline in the level or quality of public services that citizens demand. Shared service discussions can get sidetracked by concerns over local identity, loss of jobs, diminished control and quality of service. The review team noted Town and TPS examples of concerns surrounding how current operations would change with sharing services. It is important to recognize that efficiencies and cost savings can materialize for both TPS and the Town, and that each entity should work to develop and promote opportunities for sharing and collaboration.

For shared services to succeed in Trumbull, there are several key elements in the planning and implementation stages that local officials should consider. Some of the most critical include:

- **Establish shared services planning committee.** During 2012-13, the Town and TPS should form a shared services committee to begin planning shared service implementation. Topics that should be addressed include:
 - Decision-making framework for shared service decisions, ensuring that priorities of the Town and TPS are both addressed.
 - The need for staff resources dedicated exclusively to either Town or TPS needs.
 - Position and staff migration planning
 - Methods to monitor and report results of shared service in terms of efficiency and effectiveness.
- **Identify realistic opportunities.** First and foremost, TPS and the Town should begin by identifying opportunities to share services in areas where there is a realistic chance that the initiative will be supported and implemented. Successful collaboration is built on trust between participating entities. Therefore, attempting a small project initially may be more prudent than approaching a neighboring local government about consolidating a major function.
- **Establish clear goals and objectives.** The service to be shared should be well described, the responsibilities of each participating local government clearly defined and expectations about cost savings or service delivery improvements clearly communicated.
- **Educate stakeholders.** It is vital that Trumbull citizens as well as Town and TPS employees are properly informed on the benefits of the shared services initiatives (e.g., savings that will result for citizens as property taxpayers and as employees) and assured that the quality of services will be maintained.
- **Look for “striking moments”.** TPS and Town officials should also watch for opportunities such as retirements or attrition of key personnel that make proposals for shared service arrangements involving personnel more feasible.

- **Plan for roadblocks.** TPS and Town officials should remain open-minded and flexible in dealing with obstacles along the way. Expect that turf issues, personality conflicts, and other implementation issues will arise.
- **Improve process efficiency before implementing shared services.** The remainder of this report outlines several opportunities to improve the efficiency of operations for both the Town and TPS – separate from sharing services. These efficiencies, obtained through re-engineering of processes and maximizing the use of technology, should be implemented before the services are shared or consolidated.
- **Document shared services and costs in contractual agreements.** The Town and TPS should avoid informal arrangements and instead document each shared service arrangement through a formal agreement. The agreement should provide estimates of the cost of services provided to TPS, and these amounts should be included in the TPS annual budget. This will allow TPS to verify that the shared services are actually resulting in cost savings. The contractual agreements should also outline service expectations and where applicable, service goals or targets.

In the following chapters, organized by functional area, several recommendations are made for the Town of Trumbull and TPS to share services. Recommendations should not be implemented in a vacuum, however, as other recommendations will directly influence the success of the shared service opportunities. The Town and TPS should use the 2012-13 year to implement other recommendations related to information systems and processes and to plan for the transition to sharing services. Implementation of shared services should begin in 2013-14.

The following sections present findings and recommendations for efficiency and shared services opportunities for the Town and TPS. Fiscal implications and how they were estimated are presented with each recommendation. Recommendations are made in the following chapters:

- Administrative Services
- Technology
- Maintenance and Custodial Services
- Food Services (TPS)
- Transportation (TPS)
- Employee Health Insurance
- Tax Assessment and Collection

Each remaining chapter contains:

- A brief background of the area under review
- Shared services opportunities
- Efficiency opportunities affecting both the Town and TPS, if any
- Efficiency opportunities affecting the Town only, if any
- Efficiency opportunities affecting TPS only, if any

Administrative services, technology, maintenance and employee health insurance represent the prime opportunities for shared services at this time.

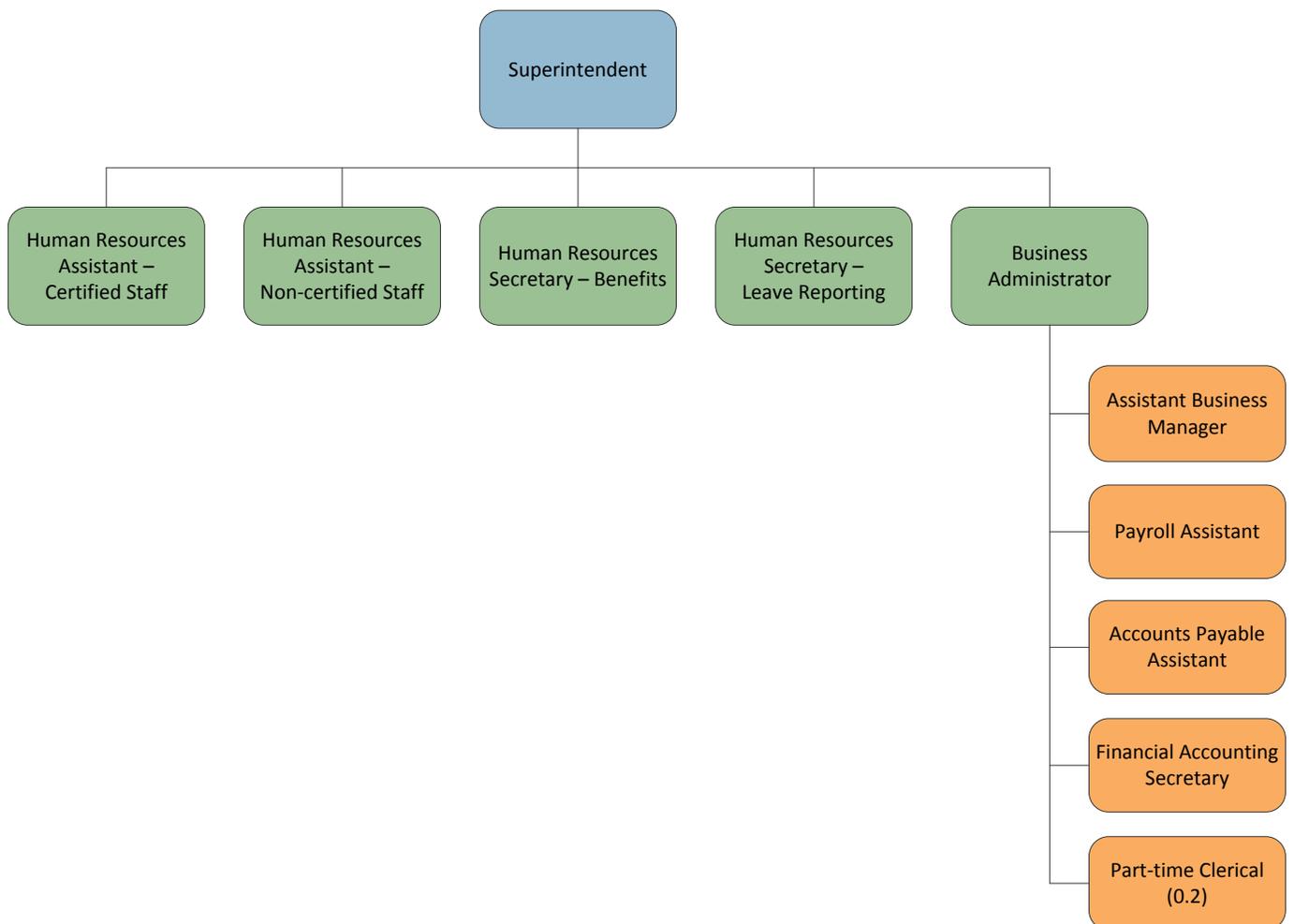


Chapter 3 – Administrative Services

The Town of Trumbull and Trumbull Public Schools each maintain separate administrative service functions including general accounting, accounts payable, payroll, and human resources. Although each entity engages in some coordinated procurement, the purchasing functions are primarily handled separately by each entity. The Town has a Purchasing agent to oversee procurement functions, while TPS has a largely decentralized procurement function without a designated position to oversee it. However, TPS often takes advantage of established Town purchasing arrangements.

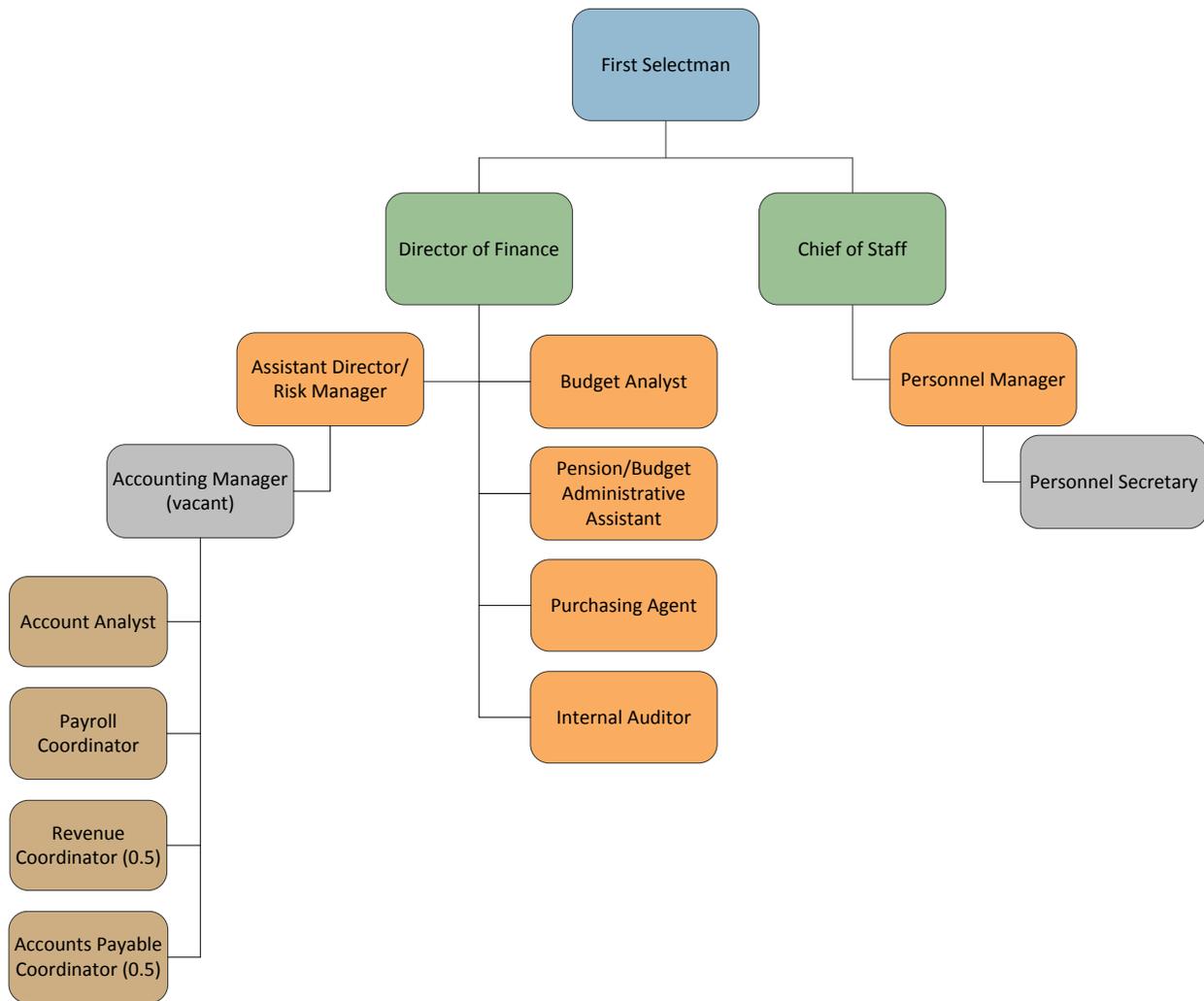
The organization of the Town and TPS's administrative services areas is depicted in Figures 3.1 and 3.2.

Figure 3.1. Organization of Administrative Service Function, TPS



Source: TPS organizational chart, 2011

Figure 3.2 Organization of Administrative Service Function, Town of Trumbull



Source: Town of Trumbull organizational chart, 2011

The TPS financial functions are headed by a Business administrator, a position that until recently was vacant. Reporting to the TPS Business administrator position are the following: assistant Business manager, payroll assistant, accounts payable assistant, and a financial accounting secretary. The Business office also receives part-time help one day per week, or 0.2 full-time equivalent (FTE) employee, on loan from the district's Technology Operations unit. TPS's Business administrator oversees the transportation and food services operations for the district (not reflected on organization chart above).

TPS's Human Resources (HR) functions are handled by four employees who report directly to the superintendent. The HR functions handled by the district include all the typical functions of an HR department, including recruitment, hiring – including hiring of substitute teachers – and benefits administration. The district's HR Department is also responsible for recording, tracking, and reporting all employee leave.

The administrative services functions of the Town fall under two individuals who each report to the First Selectman: the director of Finance oversees the purchasing, accounts payable, and payroll functions as shown in Figure 3.2. In addition, the director of Finance oversees technology, tax collections, and tax assessments (not depicted in the organization chart). The Town's chief of staff oversees the HR functions as well as the Library, Senior and Social Services, Nurses, and Recreation.

The Town's Finance Department has 5.5 FTEs to handle accounting, budget, grants, payroll, and accounts payable functions although the Accounting manager position is vacant. The accounts payable and payroll responsibilities are shared, with approximately 1.0 FTE to carry out accounts payable functions and 1.5 FTE for conducting payroll functions. One Purchasing agent oversees the Town's procurement function and assists with some procurement at TPS. The Town also has an internal auditor position.

The Town's HR functions are performed by the Personnel manager and one secretary who are responsible for recruitment, hiring, benefits administration, and all civil service testing. The Personnel manager also serves as the clerk of the Town's Civil Service Board.

Shared Services Recommendations

Recommendation 3.1: Consolidate the accounts payable and payroll functions of the school district into the Town's Finance Department.

Many of the processes involved in the accounts payable, payroll, HR, and purchasing functions are similar for each entity and are prime candidates for establishing a shared services arrangement, with payroll and HR functions in TPS being more complex due to different regulations, pay calendars, unique recruiting needs, and other factors.

There are four major reasons for sharing administrative services:

1. Lower cost due to fewer supervisory positions – in finance, there are leadership positions over each unit that are highly credentialed (director of Finance for the Town and Business administrator for TPS). If the Town and TPS were a single organization, its size would not dictate two senior finance positions. While both organizations have separate financial reporting responsibilities, these should be able to be addressed by mid-level managers.
2. More even distribution of work – workload data for fiscal year 2011-12 accounts payable, purchasing, human resources, and payroll functions are presented in Table 3.1. Each line represents a workload measure in relation to FTE staff for Town and TPS administrative services. While the workload (per Admin FTE) measures are consistent between the Town and TPS for HR and accounts payable, there are wide differences in the payroll function (as noted in the shaded boxes). Sharing services would help spread the volume of work more evenly.

Table 3.1. FY 2012 Workload Data for Town of Trumbull and TPS Administrative Functions

Workload Measure	Town			TPS			Workload Measure Town and TPS Combined
	Total	Admin FTE	Per Admin FTE	Total	Admin FTE	Per Admin FTE	
Number of Employees Served – HR	354	1.5	236	836	4	209	1,190
Number of Accounts Payable Checks Issued	6,293	1	6,293	6,194	1	6,194	12,487
Number of Payroll Checks Issued	7,224	1.5	4,816	8,852	1	8,852	16,076
Number of Payroll Direct Deposit Vouchers Issued	15,135	1.5	10,090	27,630	1	27,630	42,765
Number of Employees Served – PR	354	1.5	236	836	1	836	1,190

Source: Survey of TPS and Town financial staff

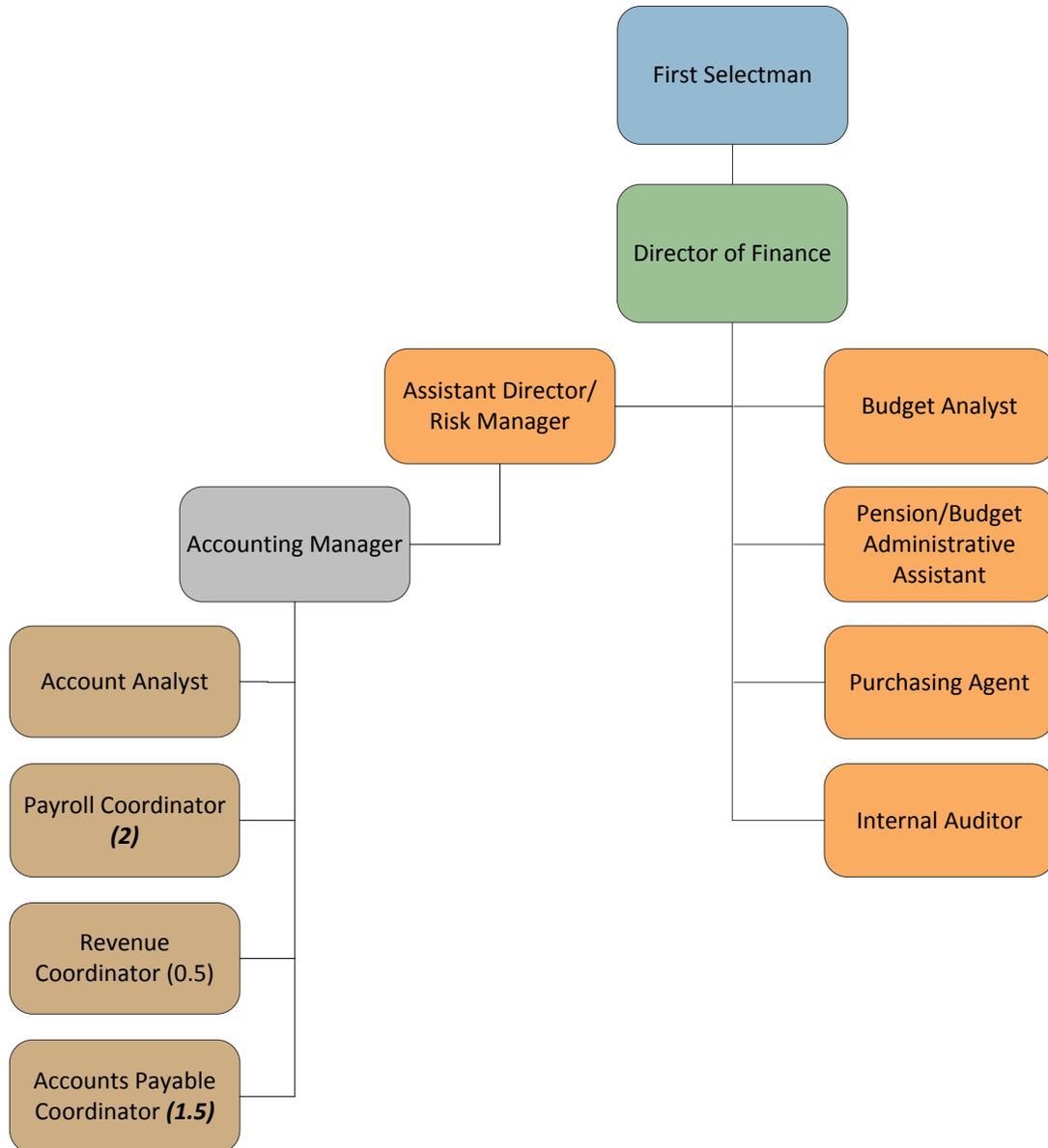
- Improved internal control – sharing services will support improved internal control in two ways. First, by combining functions and staffs it will be easier to support segregation of duties. Segregation of duties is an important element of internal control in that it limits access to assets and business records by the same position. Second, with a combined staff, there are more opportunities for cross-training and back-up if one employee becomes ill or unable to work. TPS currently has one position that is responsible for its payroll function – without a back-up option. This places the organization at risk should the individual in this position be unable to perform the duties for any reason.
- Lower cost – the combined effect of sharing administrative services will reduce the cost of operations. Establishing shared services for administrative functions will provide better management of these functions, will provide cross training opportunities, and can help to eliminate some costs for the Town and for TPS.

By consolidating the administrative functions of accounts payable and payroll, and transferring them into existing Town departments, one TPS position can be eliminated once the transition is fully implemented. The position proposed for elimination is the financial accounting secretary position. The positions proposed for transfer to the Town include the payroll assistant and the accounts payable assistant.

We propose that TPS and the Town move forward with planning for the consolidation and transition of accounts payable and payroll to the Town. These functions are transaction-based and are good candidates for a pilot consolidation test. After these achieve successful implementations, other administrative areas could be considered for increased collaboration and/or shared services.

Figure 3.3 shows a proposed organizational structure for the Town following a consolidation of administrative functions. The changes to the existing structure are in bold italics.

Figure 3.3. Proposed Organization of Town of Trumbull Consolidated Administrative Service Functions



Source: Gibson Consulting Group, Inc.

The TPS Business administrator should provide all financial reports to senior leadership and the board, and support to the superintendent, TPS department heads, and school principals in budget and finance issues. The TPS Business administrator's role should also include serving as liaison between the Board of Education and the Town's director of Finance. This position should report directly to the superintendent.

Fiscal Impact

The proposed consolidation of TPS's payroll and accounts payable functions with Town functions result in an annual net savings of \$63,835 including salaries and benefits. This fiscal impact includes the elimination of the TPS financial accounting secretary position.

Effective implementation of this recommendation will require a significant planning effort during 2012-13, including negotiating with the collective bargaining units affected by a transition. Further, shared administrative services should not be implemented until administrative processes are re-engineered and information system use is maximized (see separate recommendation in Chapter 4 – Technology of this report).

Recommendation 3.2: Improve purchasing power by increasing collaboration on bulk purchases and increased use of cooperative purchasing arrangements.

TPS and the Town do not always collaborate on making purchases of bulk items such as paper and office supplies. This lack of collaboration could be costing Trumbull in terms of lost purchasing power. In addition, many of these items are simply purchased without obtaining competitive bids.

Chapter III, Section 6.G. of the Town Charter states "...All supplies, materials, equipment and other commodities required by any department, office, agency, board or commission of the town, including the Board of Education, shall be purchased by the purchasing authority in accordance with the purchasing policy as most recently adopted by the Town Council..."

As the Board of Education does not currently have a centralized purchasing department, the Town's Purchasing agent should absorb the purchasing function for TPS.

Trumbull also has several options for making purchases through bidding cooperatives such as its Regional Council of Government and The Cooperative Purchasing Network. These cooperatives usually charge small participation fees to vendors and allow towns and school districts to participate at no charge.

Fiscal Impact

By consolidating Purchasing functions, TPS and the Town can achieve better performance from vendors, greater purchasing power, and obtain better prices through more bidding or use of purchasing cooperatives. Though this is expected to result in savings for each entity, a fiscal impact cannot be estimated at this time.

Recommendation 3.3: Ensure that both the Town and TPS have regular internal audits that are based on comprehensive risk assessments.

Chapter VII, Section 1.C. of the Town Charter states that, “The Board of Finance shall appoint an internal finance and operations Auditor. Upon the direction of the Board of Finance, the Auditor shall have the authority to audit the finances and operations of any Trumbull Government entity, included but not limited to, the Town, the Board of Education, Enterprise Funds, Special Agency Accounts and any other government entity receiving and/or spending use charges and any other income. The Auditor shall present his/her reports to the Board of Finance.”

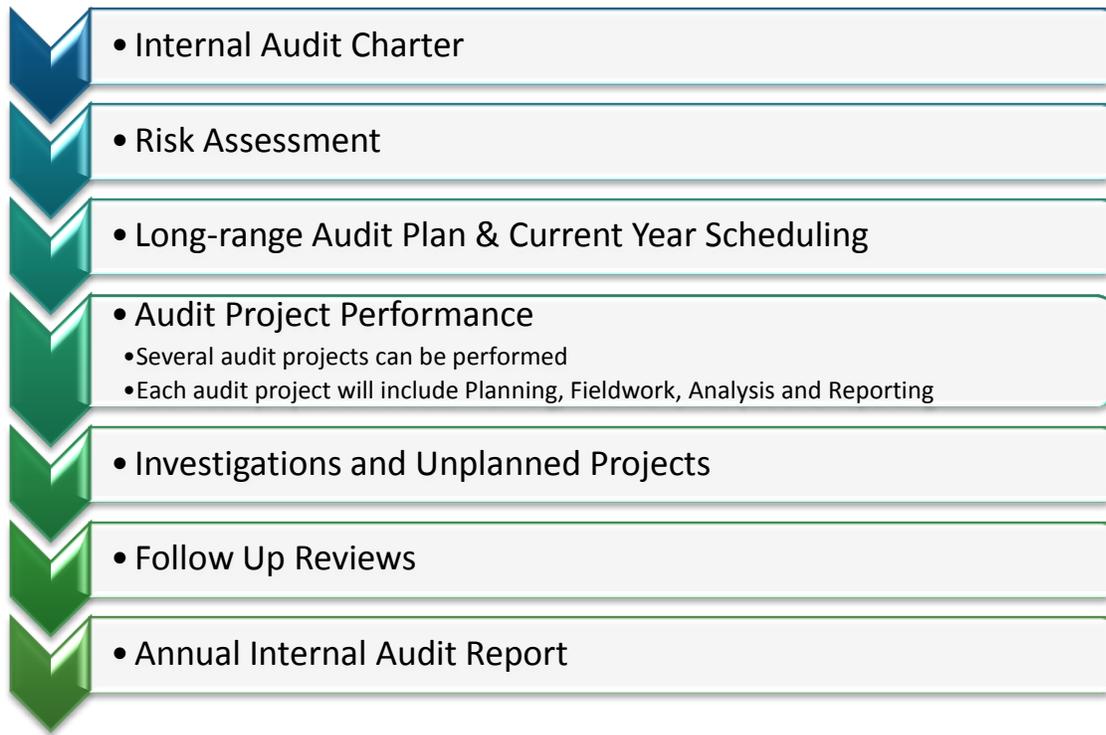
The Board of Education believes that the Town Charter is in conflict with state statute and that the Town does not have the authority to audit the school district. This matter is being clarified by Trumbull legal staff, but the issue of TPS needing to undergo routine audits remains a critical one.

The scope of the Town’s internal audit function does not include TPS, even though TPS expenditures represent 64 percent of the Town’s annual operating budget. Accordingly, the Board of Education should arrange for the audit of its functions, whether through the Town’s internal auditor or through a contracted auditor.

The Town of Trumbull audits are conducted on an as needed basis. Recent audits completed include the Town’s Leaf Program, Emergency Medical Services, Trumbull Senior Center, and the Town’s Time and Attendance Reporting processes. A formal risk assessment has not been conducted in recent years. A risk assessment ensures that internal audit efforts are dedicated towards the highest risks for an organization. Such an assessment should be conducted every five to seven years.

A risk assessment informs the internal auditor as well as governing authorities of an entity’s high-risk areas, which should receive immediate attention. Lower risk areas can then be subject to internal audits on a cyclical basis. Audits of specific programs or functional areas should be mapped against a five-year calendar in the development of a long-term audit program plan. Special projects or investigations may occur outside this plan based on specific needs identified by the governing body. Figure 3.4 presents the key components of an internal audit function.

Figure 3.4. Internal Audit Function – Major Steps



Source: Gibson Consulting Group, Inc.

Fiscal Impact

The Town and TPS should consider hiring an outside firm to conduct an independent risk assessment and develop an annual audit plan for both entities. Any arrangement with an outside auditor should include a transfer of knowledge so that an internal auditor can perform these functions in future years. Hiring an outside auditor would cost approximately \$25,000. No other additional audit resources should be needed. The full-time position that exists now should be sufficient to carry out the new responsibilities. However, the focus of the internal auditor's efforts may change based on the risk assessment.

Having the Town's internal auditor include TPS in its audit scope is the most cost effective way to accomplish this recommendation. If this option is pursued, the Board of Education should have input as to the selection of the Town's auditor.

Efficiency Recommendations – Town of Trumbull and TPS

Recommendation 3.4: Implement an automated timekeeping system for both the Town of Trumbull and for Trumbull Public Schools.

The Town of Trumbull relies on a manual and paper-intensive time reporting process. Town employees fill out manual timesheets which also must be manually entered, reviewed, and approved. Town Human Resources staff compare the data entered to paper timesheets for accuracy.

An April 2012 internal audit of the Town’s time and attendance reporting was critical of the process and identified weaknesses and risks associated with Town processes. That report recommended the implementation of a timekeeping system.

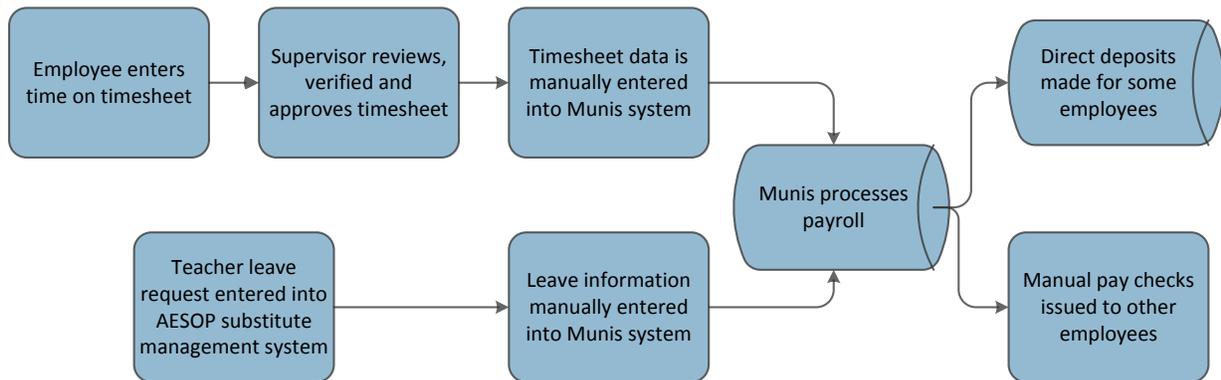
TPS previously purchased an automated timekeeping system, but abandoned it before full implementation. In 2003, TPS purchased KRONOS, an automated timekeeping system commonly used by municipalities and school systems. KRONOS allows for time entry through a variety of methods including swipe cards and logging into a computer. One of the significant benefits of such a system is that individual employee timesheet data can be uploaded automatically into the payroll system, eliminating the need for manual data entry. Employee time records can also be routed electronically to supervisors for review and approval, eliminating or reducing the need for paper documents.

Although the KRONOS system was installed with swipe stations throughout the district, it was never fully implemented and those using the system – hourly staff which included paraprofessionals and custodians – were required to use KRONOS in addition to the former punch time clock system.

Current TPS business office staff members are not aware of the reasons for the system not having been fully implemented, nor the reasoning behind ultimately terminating its use. However, turnover in the Business administrator position was likely a key reason for the implementation having not been completed. In addition, business processes were not re-engineered before implementation. This likely contributed to the abandonment of the system.

The lack of an automated timekeeping system contributes to a paper-intensive and time consuming process. Figure 3.5 presents a process map of the current timekeeping and payroll process. The blue boxes indicate a manual process; the red boxes indicate an automated process.

Figure 3.5. Current Timekeeping and Payroll Process Map



Source: Based on interviews with TPS and Town staff

TPS also uses a separate software product called AESOP to manage substitutes and report leave time. Regular teachers call in or log in to the system to report when they are going to be absent, and the system posts job assignments to a website for substitute teachers to check. In addition, the AESOP system is used by all district employees for reporting their absences. The AESOP system is not integrated with the Munis payroll system, so all TPS payroll data are entered manually by various people throughout the district.

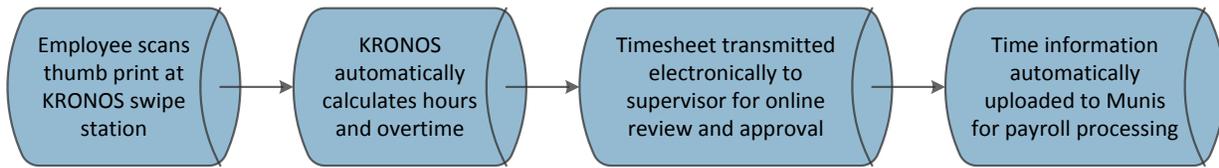
The district uses manual time clocks for hourly employees such as custodians and food service workers. An employee in the Plant Maintenance Department enters regular and overtime hours worked by custodial staff into the Munis system, while a Food Services Department employee enters the time worked for cafeteria employees. The time for these employees is manually calculated, and then entered directly into the Munis payroll system by these respective departments.

The payroll assistant in the Business office is responsible for entering employee time information into the Munis system for paraprofessional substitutes, tutors, and teacher extra time. On a weekly basis, the payroll assistant enters anywhere from 250 to 500 manual timesheets.

The district has a 10-month employee in the HR Department responsible for tracking and reporting all employee leave. Because the person in this position does not work during the summer months, all employee leave taken during the summer is entered to the system upon the employee's return in the fall.

The Town should purchase KRONOS for use by the Town and TPS, and integrate it with Munis. This will eliminate virtually all the manual forms currently used, and streamline processing through automatic calculations, verifications and online approvals. Further, many Munis customers have this interface, so the Town will not have to incur the cost of a customized integration effort. Every step in the process after full implementation of this recommendation will involve automation, as depicted in Figure 3.6.

Figure 3.6. Timekeeping process after KRONOS implementation and integration



Source: Gibson Consulting Group, Inc.

Fiscal Impact

To determine cost estimate for this recommendation, Gibson obtained pricing information from the KRONOS company. Separate pricing information was gathered for TPS's and the Town's time systems, but the assumption was made that the applications could use a shared server, thus allowing for a degree of savings. Since lost swipe cards were an issue with the first attempt made to convert to KRONOS, a price quote for biometric time clocks was also requested which allows employees to scan a thumb print to clock in. The licensing and implementation/integration cost for the Town will cost be between \$63,000 and \$82,000, while the cost for TPS ranges from \$89,000 to \$116,000.

These fiscal impacts are conservative in that they represent the higher range of what this would cost to implement. For instance, using swipe cards stations instead of biometric stations would be more cost effective. In addition, consolidating and having a single time keeping system rather than dual systems would also be more cost effective.

TPS and the Town should also consider having KRONOS conduct employee training upon implementation. Training would range between \$10,000 and \$15,000. Annual maintenance fees will cost approximately \$20,000 after implementation.

Numerous efficiency and internal control improvements will result from the use the automated system, reducing work demands of a consolidated timekeeping and payroll process.

Recommendation 3.5: Implement a mandatory direct deposit policy for both the Town and TPS.

While each entity makes some use of direct deposit for paychecks, a large portion of both Town and TPS employees continue to receive paper checks.

School districts and other entities requiring mandatory direct deposit experience a greater level of efficiency and lower costs in the payroll process. In addition to the savings associated with issuing fewer checks, such policies reduce the amount of time required to sort, distribute, and protect paychecks, and reduce time required to handle lost paychecks. Direct deposit allows employees to have quicker and more convenient access to their funds. Employees who do not have bank accounts can have access to their net pay through agreements with local banks or credit unions, allowing employees to use debit-like cards to access to pay.

Another advantage to direct deposit is that the banking institution is responsible for abandoned property, so the state reporting and submission of un-cashed employee paychecks is no longer the responsibility of the Town or of TPS.

Fiscal Impact

There are no separate cost savings associated with this recommendation, but its implementation will increase efficiency in the payroll process, further reducing the work demands of a consolidated payroll function.

Recommendation 3.6: Streamline the payroll process by moving to less frequent payrolls.

Payroll for each entity is made overly cumbersome by too-frequent pay periods. Town employees, for example, are paid every week. Some TPS employees are paid weekly, others every two weeks. Each payroll involves a series of processes and the issuance of checks, resulting in a large number of transactions. By reducing the number of payrolls – to monthly, bi-weekly or a combination thereof – less processing time will be required for fewer paycheck transactions.

Fiscal Impact

This recommendation will require that timekeeping processes be reviewed and simplified prior to implementing an automated timekeeping system. There is no separate fiscal impact associated with this recommendation, but it will result in more efficient and effective operations, further reducing the work demands of a consolidated payroll function.

Recommendation 3.7: Incorporate efficiency measurement into the Town's and TPS's budget development processes to ensure efficiency in future years.

In part, this study was conducted to answer questions about efficiencies, including but not limited to shared service opportunities between the Town and TPS. While this study takes a snapshot of efficiency at this point in time, future measurement can only be supported by the incorporation of efficiency measures into the budget process. This will shed more light as to what is going on behind the numbers, and provide board members, Town Council members and other stakeholders with the transparency needed to answer the question – are we efficient?

Attached to this report (Attachment B) is a list of recommended efficiency measures for TPS and the Town to track on an ongoing basis. Measures should be tracked centrally through a controlled data collection process, and reported on annually in conjunction with the budget process.

Fiscal Impact

This recommendation will require an initial invest of time to develop efficiency measures. The Town and TPS can begin by having each department develop three to five measures for which they think they

should be evaluated. The Town’s director of Finance and the TPS Business administrator should review the measures and provide feedback to each department head.

Over time, the measures can be expanded upon and fine-tuned as necessary.

Efficiency Opportunity – TPS

Recommendation 3.8: Improve financial transparency by overhauling the TPS chart of accounts.

There were several factors identified during this review that were found to significantly limit the transparency of spending at TPS. These need to be addressed regardless of what shared services or other efficiencies are implemented.

The chart of accounts is a listing of account names that explain the purpose of a financial transaction and to segregate expenditures, revenues, assets, and liabilities. Salaries, supplies, travel, and professional fees are examples of expenditure account names listed in a chart of accounts. The account code structure and code definitions are extremely important in providing the necessary transparency of spending.

In school systems the chart of accounts is more complex than other organizations, with multiple sub-structures to support different departments, locations/schools, programs, functions, funds and types or object of expenditure.

The Town and TPS use the same financial system – Munis – to support its financial transactions, although each maintains its own separate Munis system and chart of accounts. This system is a commonly used software product for both municipalities and school systems around the U.S. and provides a flexible account code structure that can meet reporting needs. The Town’s account code structure is less complicated and account names are clearly defined and distinguishable from other codes. This is not the case with the TPS chart of accounts.

The following elements represent the account code structure for TPS:



Source: Trumbull Public Schools

- Fund (3 digits) – represents the funding source for an expenditure, such as the general fund or a grant program fund.
- Unit (2 digits) – used to represent a function, such as technology or maintenance. Also used to represent a location (school name) or program (regular instruction, special education).

- Function (4 digits) – may represent a sub-program or sub-function (Mathematics, Guidance Counselors), as well as a category or object of expenditure (utilities).
- Object (5 digits) – generally used to describe the type of expenditure (for example, 51xxx accounts are reserved for salary expenditures; 52xxx account are for employee benefits expenditures); some object codes also reference school names or department names.

This structure does not provide for separate delineation of TPS expenditures needed to provide a clear view of spending. Within this structure, several items appear to be miscoded, overstating or understating the cost of a particular department or function. For example, custodial “supplies” expenditures for 2011-12 were \$1,002,173; however, only \$151,000 represents actual custodial supplies. The remaining \$850,000 was for district-wide utilities. All utilities costs are charged to a custodial services unit code instead of a plant operations code.

The following mutually exclusive categories of expenditure should be used to track TPS spending:

- Fund – no change.
- Function – this should represent functions only, such as direct instruction, human resources, transportation, and technology.
- Program – this should represent identified programs only, such as regular education, special education.
- Organization / location – this should represent only the location of the expenditure, regardless of the department or responsibility center.
- Department / responsibility center – this should represent only the budget responsibility for the expenditure. In some cases this may mirror the function or program code, but in many cases it will not.
- Object – this should present the type of expenditure only, without reference to a function, program, organization or department

While many states prescribe a standard chart of accounts for school systems, Connecticut does not. However, the topic has been discussed recently and language has been attached to Senate Bill 24 this year. Advocates contend that “particularly in light of the proposed increase in foundational funding, a statewide standard chart of accounts is needed to improve the transparency and public accountability for state education dollars and to ensure that current and additional education dollars are spent on effective initiatives and programs.” Upon review of the state’s legislative website, it appears that this bill has been tabled in the Senate (as of April 2012).

Fiscal Impact

TPS should implement these account code changes for application in the 2013-14 school year. This will require an investment in outside consulting services (\$15,000) to assist in the account code definition and conversion of prior account numbers to new account numbers.

Recommendation 3.9: Conduct a detailed audit of the TPS payroll function, including employee leave reporting processes.

TPS has a single payroll assistant position responsible for processing employee pay, with no other position trained as backup. The assistant works overtime, and has remote system access to work from home in order to complete the district's payroll. Having a sole individual responsible for an entire process places the district at risk if for any reason the payroll assistant is unable to work (e.g., illness). In addition, it is an internal control weakness to have only one individual in charge of a process without checks and balances in place. Accordingly, a payroll audit should be performed before the end of 2012. The Board of Education can request an audit from the Town's internal auditor or hire an outside internal auditor.

Fiscal Impact

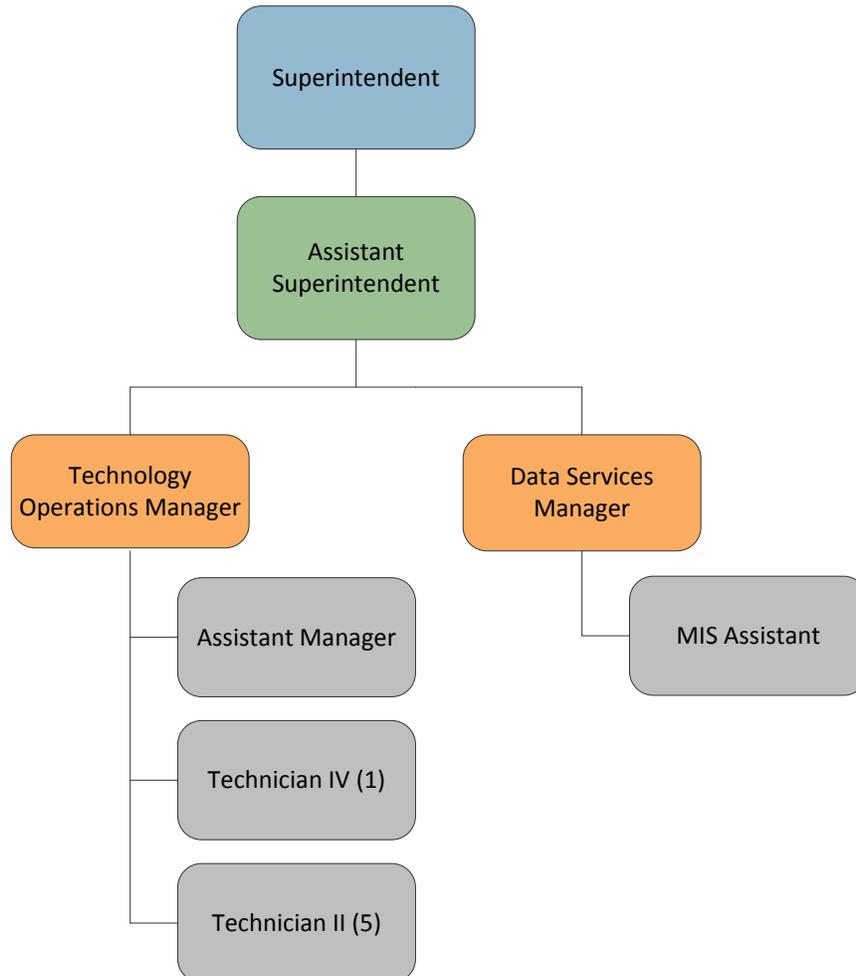
If an audit is conducted by the Town's internal auditor, there would be no fiscal impact associated with this recommendation. However, should the Board of Education choose to outsource a payroll audit, the cost would be approximately \$10,000 to \$15,000.



Chapter 4 – Technology

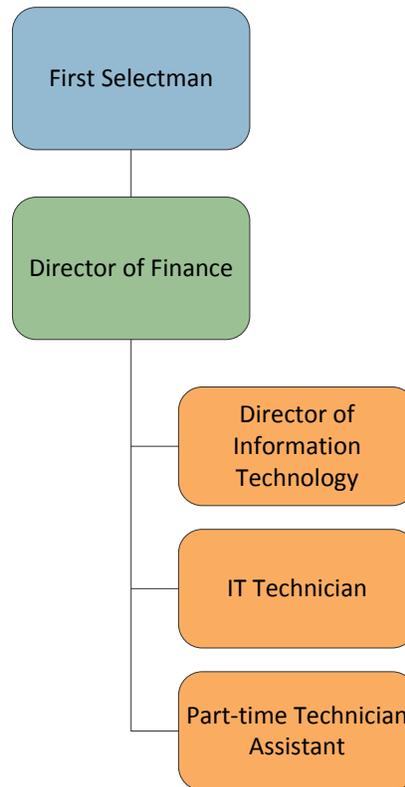
The Town of Trumbull and TPS each maintain their own technology departments and infrastructure. Figures 4.1 and 4.2 show the organization of the respective technology functions.

Figure 4.1. Information Technology Organizational Structure, TPS



Source: TPS organization chart, 2011

Figure 4.2. Information Technology Organizational Structure, Town of Trumbull



Source: Town of Trumbull organization chart, 2011

TPS's Technology Operations unit is responsible for procuring, installing, and maintaining the district's computer hardware and software. The Technology Operations manager, who is responsible for developing policy, evaluating user needs, technology planning and budgeting, oversees a staff of six technicians. Technicians are assigned maintenance and service responsibilities for the district's networks, copiers, telephones, and computer equipment. The Data Services unit of TPS is staffed with a Data Services manager and a Management Information Systems assistant who are primarily responsible for maintaining the district's Student, Finance, and Human Resources information systems (often referred to as the Enterprise Resource Planning or ERP systems).

The Town of Trumbull's technology functions report to the director of Finance, with day-to-day oversight provided by the director of Information Technology. In addition to the 2.5 employees in the Technology Department, the Town has two full-time technology positions housed in the Police Department and the Library Department to maintain the operating systems of those departments.

Shared Services Opportunities

Recommendation 4.1: Investigate opportunities for consolidated or shared information technology (IT) services between the Town and TPS and develop a consolidated IT plan.

There are opportunities for consolidated or shared technology operations that could result in better service, greater efficiencies, and cost savings. However, while services could be shared, any decisions regarding consolidation of Town and TPS technology functions should not be made until the district decides on a technology plan the organizations are willing to fund.

The areas for shared services or increased collaborations of services include the following:

- Munis and other applications
- Technical support
- Disaster recovery plan and activities
- Network broadband consolidation and joint negotiation for services
- Wireless services including cell phones

Perhaps the greatest opportunity for sharing of IT services is the migration to a single ERP system. TPS and the Town currently both use the same system, but they maintain separate licenses and maintenance fees as well as each hosting the systems on separate servers. According to Tyler Technologies, the company that developed the ERP system used by the Town and TPS, migrating to a single system while maintaining the functions that TPS and the Town need is a viable option for Trumbull. The single Munis system can be customized to meet each entity's operating needs. Currently, the city of Bridgeport and Bridgeport Public Schools use a single Munis system, and the Town of Newtown and Newtown Public Schools are in the process of consolidating their systems.

Another area that could provide efficiencies is that of combined technical and helpdesk support. TPS and the Town each maintain their own technical support functions, yet applications support for Munis and email as well as hardware troubleshooting could be performed by either a TPS or Town technician. This will not result in cost savings, but would make each area more efficient through a better distribution of the workload.

Neither TPS nor the Town has adequate disaster recovery plans for its technology, exposing both organizations to unacceptable levels of risk in the event of a flood or fire. This area represents another opportunity for sharing efforts. TPS should collaborate with the Town on developing a consolidated disaster recovery plan that identifies alternative operating locations in case of a local disaster. TPS and the Town should also work jointly to test their plan.

Some IT services are generic enough in nature to allow for shared services opportunities. Examples of this include network broadband service and wireless cell phone service. If TPS and the Town consolidated their broadband and/or cell phone providers, they could achieve greater negotiating

power. Actual savings are likely but cannot be determined until the vendors are contacted by the Town's Purchasing agent.

Fiscal Impact

While it is clear that there is cost savings potential in sharing these types of IT services, developing a fiscal impact is difficult because of the complexities of pricing structures for IT services. However, as an example of the potential saving available, if the Town and TPS were to consolidate its ERP systems into a single shared system, approximately \$92,000 in licensing and maintenance fees savings could be realized.

Efficiency Opportunities – Town and TPS

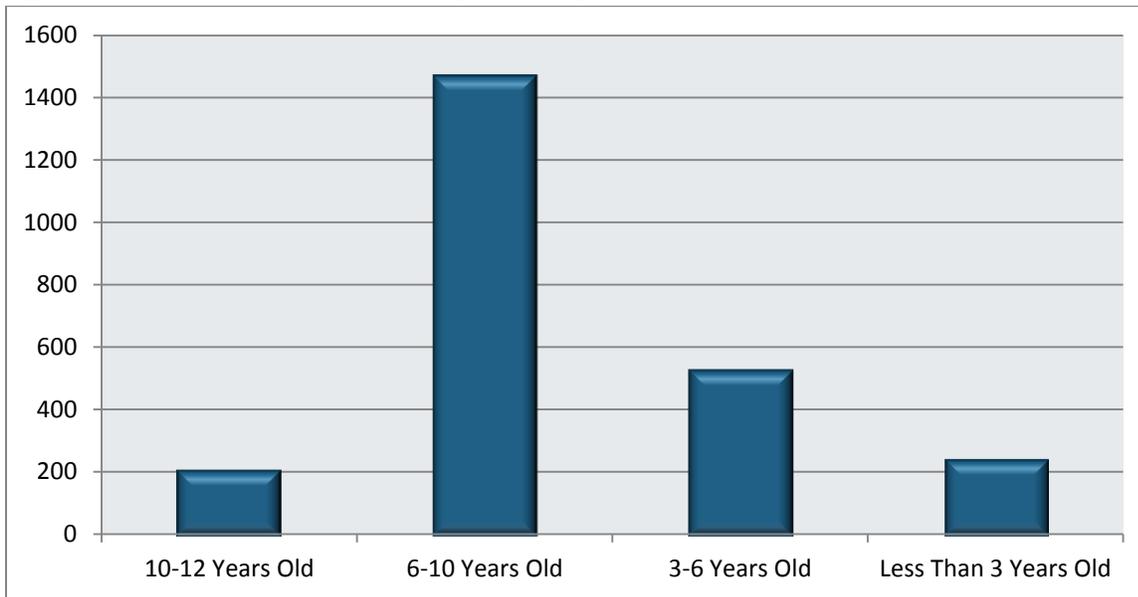
Separate from opportunities to share technology services there are specific areas that need to be addressed by both the Town and TPS to improve their collective ability to support efficient operations through the expanded use of technology. The two primary areas are (1) needed investments in computer equipment and network infrastructure, and (2) expanded use of administrative software to support more efficient work processes.

Recommendation 4.2 Upgrade technology equipment and network infrastructure based on current and future needs.

TPS's technology supporting administrative and instructional functions is outdated. The average computer is more than six years old, and some schools do not have WiFi connectivity. These limitations affect the ability of TPS to maximize its use of technology to support efficient practices.

Figure 4.3 presents the age of computers used by TPS in 2011-12, by range. Out of 2,488 computers, 1,675 or 67 percent are more than six years old and 8 percent are more than 10 years old. All computer equipment purchases are made through the Town's bidding process, and all computers have energy saving software that powers down the computer after a period of being idle.

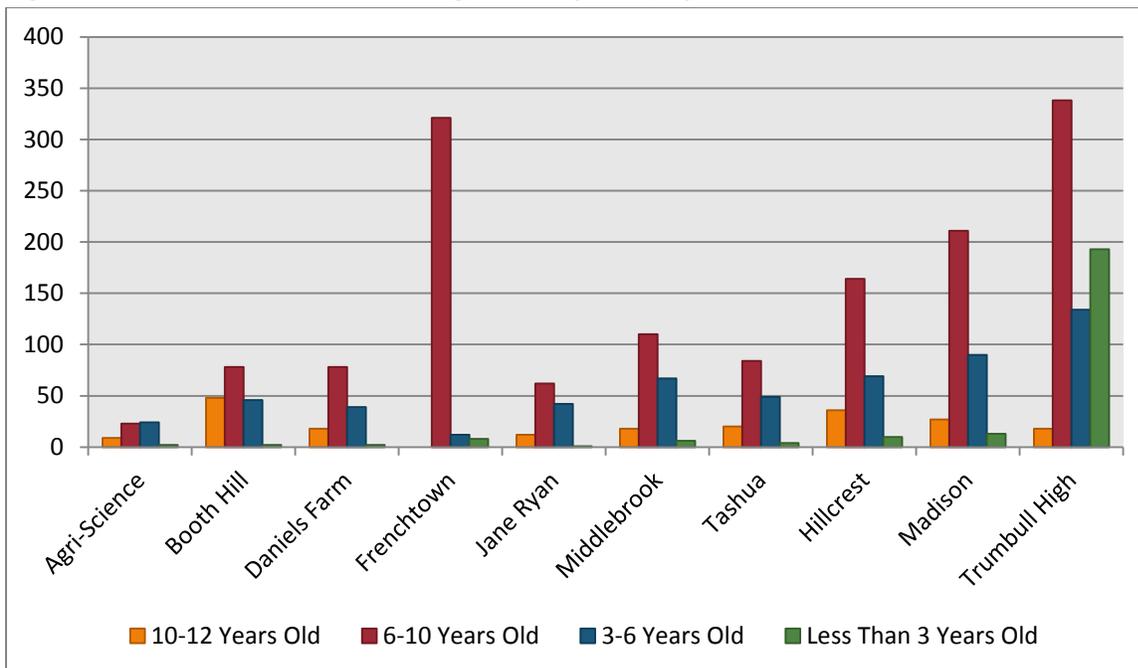
Figure 4.3. Trumbull Public Schools Age of Computers – 2011-12



Source: Trumbull Public Schools, summer 2012

The distribution of old equipment is not isolated to specific schools. As indicated in Figure 4.4, only the high school has noticeable inventory of computer equipment less than three years old. Older equipment must be run by older operating systems, which in turn may or may not be able to run current application software. Older equipment also has slower processing speeds, which can adversely affect teaching, learning, and administrative efficiency.

Figure 4.4. Trumbull Public Schools Age of Computers, by Location – 2011-12



Source: Trumbull Public Schools, summer 2012

Currently, only one school has wireless connectivity and in this school the access is limited. Wireless connectivity will be available at the high school once renovations are complete. This restricts the ability of schools to use current technologies such as tablet computers to provide a more efficient learning environment.

The Trumbull Town Hall does not have WiFi connectivity either, but the Board of Finance recently approved funding to establish wireless capabilities.

The district's long-range technology plan reflects these and other shortcomings and identifies action items to address them. However, the investment in technology has not been a high priority in either TPS or the Town's budgets, and as a result these plans have gone largely unfunded. The 2012-13 TPS budget includes funding for some computer equipment upgrades, but this level of investment will not sufficiently address the equipment and networking needs.

Equipment purchasing alone will not address the Town's or TPS's technology needs, and the purchasing of desktop or laptop computers may not reflect the wisest investment. The Town and TPS should evaluate successful practices by other school systems and towns to become more effective and efficient through use of current technologies. For instance, "cloud" computing (the use of hardware and software computing devices that are delivered as a service over the internet) is proving to be a feasible solution that allows for significant cost savings potential.

In one best practice example, Tyler Independent School District, a Texas school system with over 18,000 students, is using "desktop as a service" which is a cloud-based system to virtualize student and teacher computers. District users' unique computer content is saved in large storage servers and served to users over the broadband internet connection wherever they are and whichever device they use to access it. Another significant benefit comes from reduced support needs. Most of the operating system and application-originated support issues can be fixed because the working copy of each desktop lives as an image on servers and can be reinstated instantaneously without touching the user's hardware.

In addition to potential hardware savings, cloud computing allows for efficiencies in applications hosting. That is, the hardware used to house and maintain software is eliminated. Cloud computing offers excellent potential for sharing opportunities between the Town and TPS, for both administrative and academic purposes.

Another concept being piloted by many schools are "bring your own device" policies. This is working well in districts such as Trumbull where many students may already own personal computing devices such as tablet computers and laptops. Students are encouraged to bring their own units to class where they will be set up with the appropriate software and internet filters. These kinds of policies allow school systems to more cost effectively transition to "electronic" textbooks. In addition, students typically charge their devices at home, saving the district in utility costs.

Fiscal Impact

The fiscal impact of upgrading technology at the Town and TPS will depend on the strategy pursued.

Recommendation 4.3: The Town of Trumbull and TPS need to fully implement Munis, and TPS needs to eliminate duplicate information systems.

The Town of Trumbull and Trumbull Public Schools each use the Munis ERP system for finance, budget, payroll, and human resources. Though Munis is a robust and powerful system, neither entity is using the system to its fullest capabilities. In addition to consolidation of licenses, both organizations need to enhance their use of Munis to gain efficiency advantages.

While both the Town of Trumbull and TPS use the Munis human resources module, neither uses the “position management” application. Position management supports the tracking of budgeted positions, filled and unfilled, for full and part-time staff and is essential for budgetary control. Both the Town and TPS struggled to provide requested staffing information because this module was not being used.

At TPS, Munis does not appear to have been configured at installation (almost a decade ago) to meet the reporting requirements of the school system. As a result, another separate *Filemaker Pro* data system (similar to but not an actual database software application) was developed and in recent years has been used as the primary source for human resources information. It is also used to support the district’s financial and budget data. This dual system requires double entry of data and the upkeep and maintenance for the database system has prevented TPS staff from fully learning and using the Munis system, resulting in limited productivity and meaningful data analysis. In addition, schools and departments are provided semi-monthly budget reports from the database system which they must reconcile with their own departmental system – usually detailed expenditures tracked in spreadsheet format – as well as the Munis system. The database system provides users with a snapshot of their budget, expenditure, and staffing data; that is, the data are only current through the date in which the reports are generated. Munis data, on the other hand, are available in real-time and constantly up to date.

The former Business administrator, who developed the alternate system, recently resigned and there is no other TPS employee that is familiar with the details of the *Filemaker Pro* system. This has placed the school system in a difficult position of having an information system it cannot maintain on its own. The approach also has precluded the district from fully implementing and maximizing newer versions of the Munis software.

TPS needs to commit to the Munis software that it owns and use it as the primary source for all information. Information can be downloaded from Munis to systems used to generate reports for presentation and analyses, but these systems should be integrated with Munis and not require duplicative data entry.

Fiscal Impact

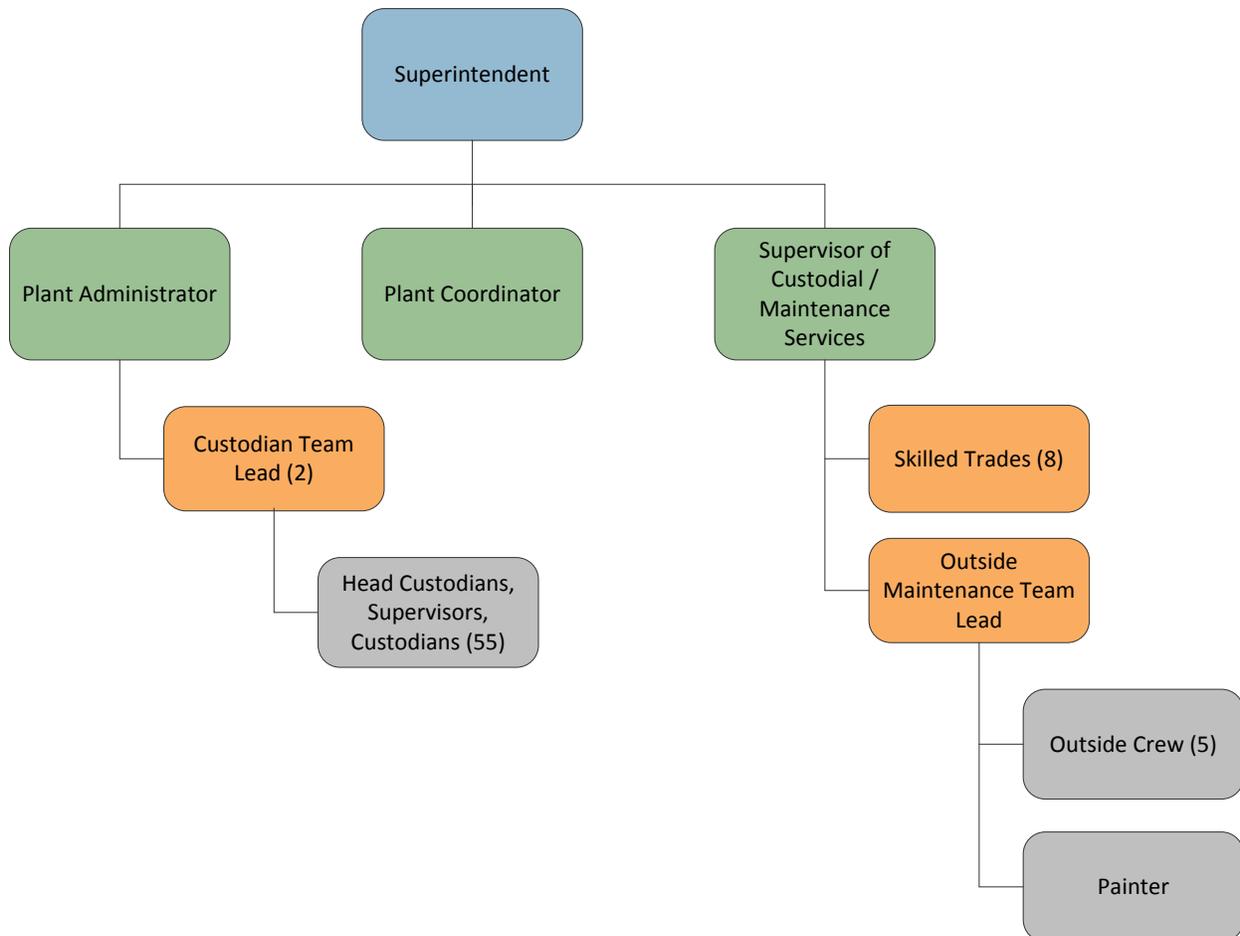
The fiscal impact resulting from implementing this recommendation is a one-time cost of \$10,000. Munis offers a three-day on-site review at a cost of less than \$5,000 to evaluate customer use of their system. If additional modules are purchased, the cost of the review is deducted from module cost. Gibson recommends that the Town and TPS hire their own consultant (at an additional cost not to exceed \$5,000) to represent their interests during this review to ensure that the vendor does not attempt to oversell software.



Chapter 5 – Maintenance and Custodial Services

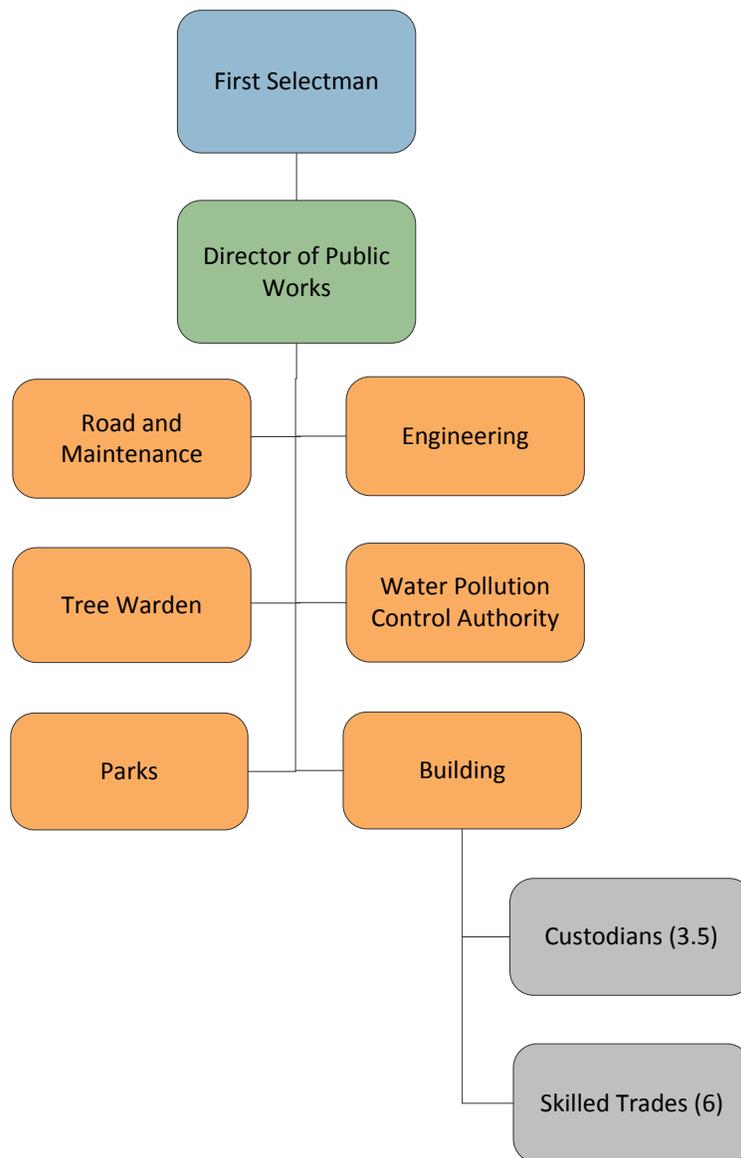
The Town of Trumbull and Trumbull Public Schools each maintain separate custodial and maintenance functions with limited sharing or coordination of services. The organizational structures for each entity are displayed in Figures 5.1 and 5.2.

Figure 5.1. Organization of Custodial and Maintenance Functions, TPS



Source: TPS Organization Chart, 2011

Figure 5.2. Organization of Custodial and Maintenance Functions, Town of Trumbull



Source: Town of Trumbull Organization Chart, 2011

TPS has three manager positions reporting to the superintendent: the Plant administrator, who oversees custodians, the Supervisor of Custodial and Maintenance Services, who oversees maintenance workers, and the Plant Coordinator who prepares facilities budgets and oversees energy usage.

The district's 55 full-time custodians work in two teams providing services to all schools and to administrative offices. Each team is led by a custodian team lead, with each location having a head custodian to supervise day-time shifts. The middle schools also have a night supervisor to oversee night shifts. In addition to the 55 full-time custodians, the district has a pool of 19 substitute custodians.

TPS has several skilled trades positions including two painters, one electrician and one electrician's helper, a plumber, a carpenter, an HVAC technician, an automobile mechanic, and one roofer who also

conducts indoor air quality inspections. Work orders are managed through an automated work order system, but there is no formal preventive maintenance program whereby preventive maintenance work orders are scheduled and entered into the system.

The Town's custodial and maintenance functions fall under the Public Works director, who is also responsible for Engineering, Road and Maintenance, Tree Warden, Parks, and the Water Pollution Control Authority. The Town of Trumbull has outsourced its custodial efforts, but maintains 3.5 FTE custodians to provide onsite services during working hours.

The Town of Trumbull has two masons, an electrician, a painter, a plumber, and a carpenter on staff, in addition to maintaining agreements for on-call trades including plumbing, electrical work, HVAC repair and maintenance, and carpentry work.

TPS and the Town of Trumbull cooperatively maintain the outdoor fields at Hillcrest Middle Schools. The Town has hired an outside contractor to maintain these fields, and TPS maintenance staff oversees the work of the outside contracted workers. The Town and TPS also have informally cooperated in paving projects and snow removal in the past. In addition, TPS has swimming pools at Hillcrest Middle School and Tashua Elementary School that are open to the public. School maintenance and custodial staff maintain the pools while Town staff manages pool programs and schedules.

Shared Services Opportunities

Recommendation 5.1: Consolidate Town and TPS maintenance functions.

Because of the overlapping technical skills, the TPS maintenance department could be consolidated into the Town to improve efficiency. This would also eliminate the need for two maintenance facilities. One supervisory position could be eliminated upon consolidation. Any other position reductions should not be made until a formal preventive maintenance program is implemented and total maintenance needs are identified and compared to existing skill sets.

Fiscal Impact

A consolidation could result in annual savings of \$111,077 in salaries and benefits (24 percent) in the management of these functions. This figure represents average salary for one full-time manager position. The operating cost of eliminating one of the maintenance facilities is not expected to generate material savings, as this facility could be used for other purposes.

Efficiency Opportunities – Town and TPS

Recommendation 5.2: Conduct a comprehensive energy audit.

Comprehensive energy audits consider opportunities for long-term energy cost reductions and identify available sources of investments from grants, federal funds, utility rebates, performance contracting, and state reimbursements. Typically, a management company contracts with an entity to identify

energy savings, invests in retrofits to achieve the savings, and keeps any realized savings for a five-year period.

During 2010-11, TPS (a larger consumer of energy than the Town of Trumbull) spent \$1,734,117 on electricity for its facilities. With 1,119,059 total square feet of facility space, this equates to a cost of \$1.55 per square foot. Gibson obtained electricity costs for New Haven Public Schools (NHPS) and for Bridgeport Public Schools (BPS), and found that their electricity costs per square foot were well below that of TPS. NHPS, which has undergone an energy audit and has implemented energy-savings features, has an electricity cost of \$1.08 per square foot. BPS, which has had approximately 20 to 30 percent of its older buildings retrofitted with energy saving lighting, among other energy savings measures, has an electricity cost of \$1.15 per square foot. On average, TPS electricity cost per square foot is almost 40 percent higher than these two school systems.

Some of the differences in electricity cost are due to a higher rate per kilowatt hour. The Town and TPS are contractually committed on an existing electrical service agreement through 2014. However, at that time a more competitive rate can and should be negotiated.

The Town is currently negotiating an agreement with an outside contractor for energy efficiency upgrades for the Trumbull Town Hall facility and for the Trumbull Police Station.

Fiscal Impact

Through the conduct of a comprehensive energy audit of the Town and TPS, and through future renegotiation of rates, it is expected that electricity costs alone could be reduced to \$1.20 per square foot – resulting in an estimated \$400,000 annually. Additional savings in other areas, such as gas, compressed natural gas, and other energy products could also be achieved.

Instead of contracting with an energy management company, the Town and TPS could include the facilities retrofits in their bond programs, thus allowing the annual energy savings to accrue directly to them rather than to an outside company.

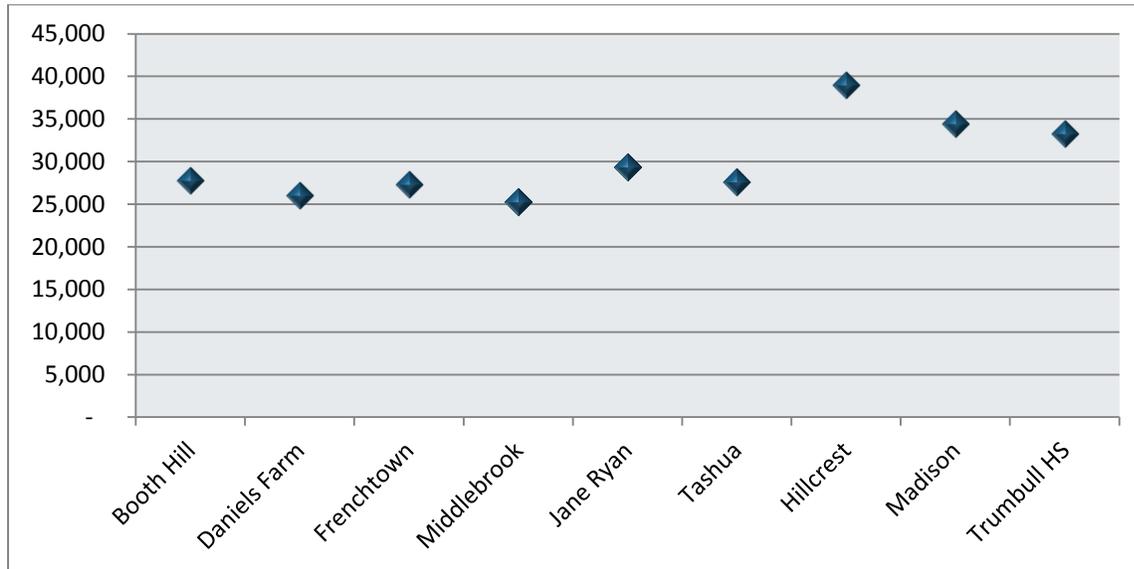
TPS Efficiency Opportunities

TPS custodial services staff cleans all the schools and administrative offices on a daily basis, applying standardized and well documented cleaning procedures. In 2011-12, 55 TPS custodians cleaned approximately 1.1 million square feet of space, reflecting an overall (day shift and night shift) productivity rate of 20,000 square feet per custodian. TPS appropriately schedules most of its staff for after school cleaning. Virtually all custodians work a 260-day schedule each year.

The School Facilities Maintenance Task Force, the National Forum on Education Statistics and the Association of School Business Officials International (ASBO) develop national standards for night shift custodial productivity, ranging from 28,000 to 31,000 square feet per custodian.

TPS night shift productivity ranges from 25,000 to almost 40,000 square feet, as indicated in Figure 5.3. The elementary school productivity is lower because one full-time position is needed throughout the day to open up the school and perform daytime cleaning and minor maintenance work. The district's overall night shift productivity is good – reflecting an efficient operation. This is particularly noteworthy considering the amount of after-school activities that occur in TPS facilities.

Figure 5.3. TPS Gross square per custodian – night shift, 2011-12



Source: Trumbull Public Schools, summer 2012

There are two opportunities to make custodial services slightly more efficient; however there is a third opportunity to substantially reduce the cost of the operation all of which are discussed below.

Recommendation 5.3: Over the next three years, convert up to 25 percent of the custodial work force from 260-day to 186-day schedules.

A full custodial staff is not necessary during the summer months when school is out. A smaller portion of the staff can conduct the one-time annual “deep” cleaning of the facilities. In other school districts, up to 50 percent of custodians can be converted to a shorter work year; however, since TPS has an extensive summer program offering that require custodial services, it is recommended that only 25 percent of the custodial workforce undergo this conversion.

Fiscal Impact

Assuming that 25 percent or 14 positions could be converted (through attrition) from a 260-day to a 186-day schedule, the fiscal impact would be an annual savings of approximately \$174,000 once fully implemented. This assumes a \$21 hourly rate (no impact on benefits).

Recommendation 5.4: Consider outsourcing custodial services.

The most significant savings opportunity available to custodial services is outsourcing. Under the current union agreement which expires July 1, 2014, TPS cannot subcontract custodial services if it results in a termination of a union position. After this date, however, TPS would be free to outsource this function unless sufficient wage concessions can be reached through negotiation. Currently the TPS average hourly custodial pay rate is approximately \$21 and the total staff costs are \$2.2 million a year. Based on research of private sector companies providing similar services to Connecticut school districts, this rate could be reduced by one-third – to approximately \$14 per hour.

Fiscal Impact

Through outsourcing, TPS could reduce its custodial staff costs from approximately \$2.2 million to \$1.5 million a year, a savings of \$700,000, beginning in 2014-15. This assumes the same number of FTE custodial staff.



Chapter 6 – Food Services (TPS)

The TPS Food Services operation is a self-sustaining and separate enterprise fund with an annual operating budget of approximately \$2.3 million. The operation provides meals to students during the school year. Each school has a full-service kitchen, and full- and part-time employees are scheduled to prepare and serve the meals.

Labor productivity in school district food service operations are measured through meals per labor hour (MPLH). Meals are defined as meal-equivalents based on the criteria shown in Table 6.1.

Table 6.1. Conversion Rate for Meal Equivalents

Category	Conversion Rate
Lunch Meals	One lunch equals one equivalent
Breakfast Meals	One breakfast equals 0.66 meal equivalents
A la Carte Sales	Sales divided by \$3 equal one equivalent

Source: School Foodservice Management for the 21st Century, 5th Edition.

There are two systems of meal preparation, the conventional (full-service) and the convenience kitchen. The conventional system involves using raw ingredients in the preparation of meals; the use of some bakery bread and prepared pizza; and involves washing dishes. In contrast, the convenience system maximizes the amount of processed foods and disposable wares. All TPS schools have conventional, full-service kitchens.

There are MPLH industry standards for food service operations as reflected in Table 6.2. Conventional systems measures are applicable to TPS.

Table 6.2. Industry Standard Recommended Meals per Labor Hour

Number of Daily Meal Equivalents	Conventional System		Convenience System	
	Low Productivity	High Productivity	Low Productivity	High Productivity
Up to 100	8	10	10	12
101 to 150	9	11	11	13
151 to 200	10.5	12	12	14
201 to 250	12	14	14	15
251 to 300	13	15	15	16
301 to 400	14	16	16	18
401 to 500	14	17	18	19
501 to 600	15	17	18	19
601 to 700	16	18	19	20
701 to 800	17	19	20	22

Number of Daily Meal Equivalents	Conventional System		Convenience System	
	Low	High	Low	High
	Productivity	Productivity	Productivity	Productivity
801 to 900	18	20	21	23
901 and higher	19	21	22	23

Source: School Foodservice Management for the 21st Century, 5th Edition

If the MPLH rate is lower than the recommended rate, either the number of meals served is low or the number of hours worked is high. The number of hours worked is a function of two variables: the number of staff employed and the hours worked per worker. For schools with a MPLH below industry standards, the school food service operation would have to increase the number of meals served or reduce the number of staff or the hours worked by each employee to achieve the recommended MPLH productivity standard.

Recommendation 6.1: Implement a more efficient schedule to achieve an increase in Food Services staffing efficiencies.

Table 6.3 shows TPS food services labor productivity by school compared to the standards for conventional kitchens. Every school except Trumbull High School was at or near the high productivity target, reflecting efficiently staffed operations.

Table 6.3. TPS Meals per Labor Hour by School Compared to Industry Standards

School	TPS MPLH	Productivity Target	
		Low	High
Booth Hill	21.5	14	16
Frenchtown	17.1	14	16
Daniels Farm	17.7	13	15
Middlebrook	17.2	14	16
Jane Ryan	16.4	12	14
Tashua	14.2	12	14
Hillcrest	18.2	15	17
Madison	19.7	18	20
Trumbull HS	14.9	19	21

Source: Trumbull Public Schools, summer 2012

Trumbull High School maintains a bell schedule that prohibits attainment of higher MPLH rates in its cafeteria. According to the Food Services director and the high school principal, Trumbull High School, in 2011-12 and prior years, had four 45-minute lunch periods. This required food service staff to be serving for up to four hours daily. Beginning in 2012-13, this will change to more commonly used 30-minute

lunch periods, but there will be a 20-minute break in between each period so no reduction in labor costs will be realized.

Most high schools schedule 30 minute lunch periods back to back, allowing more students to eat during the middle of the day and requiring fewer labor hours by food services staff. While further analysis would need to be performed to ensure a schedule that supports academic objectives at the high school, a more efficient schedule could be achieved.

Fiscal Impact

If Trumbull High School were able to achieve the MPLH targets commensurate with industry standards, approximately \$63,000 in labor saving could be realized annually, beginning in 2013-14. This savings is calculated by taking 25.13 fewer hours per day required x \$12 per hour x 168 days per year, plus 24.5 percent benefits.

Recommendation 6.2: Increase student participation rates in TPS school cafeterias.

TPS meal participation rates are relatively low when compared to most school systems, particularly in elementary schools. Below are TPS estimated lunch participation rates by school type:

Elementary	45% to 55%
Middle School	40%
High School	30% to 35%

While secondary schools rarely have participation rates above 50 percent, elementary school participation is generally above 75 percent. TPS should develop strategies for increasing participation in its program by conducting surveys to find out opinions of cafeteria operations, increasing pre-payment and online payment options available to parents, holding student taste testings, investing in advertising to parents and students – particularly at the elementary schools – and incorporating food services into nutrition education.

Fiscal Impact

Increasing participation rates in the elementary schools by 10 percentage points equates to approximately 250 additional children eating in school cafeterias. This would result in additional food service revenue of approximately \$118,575 (250 additional students X \$2.55 per meal X 186 school days). The additional profit accrued to the operation would amount to \$59,288 after the cost of increased food expenditures (approximately 50 percent of gross revenues) related to the increase in participation.

Increasing student participation will require expenditures on promotional materials, student food tastings, and other strategies. The district can expect to spend approximately a one-time \$10,000 on marketing efforts.

Recommendation 6.3: Increase TPS school lunch prices.

Menu prices were raised \$0.05 last year, with the most recent increase prior to that occurring in 2007-08. Before the 2007-08 increase it had been 15 years since a menu price increase according to the Food Service director. Below are the current lunch prices for the schools:

Elementary	\$2.55
Middle School	\$2.65
High School	\$2.80

Because of other student fees incurred by parents, TPS has been reluctant to increase menu prices. However, inflationary pressures of food costs constrain the ability to sustain a financially independent food service operation. The district should increase menu prices annually based on documented inflationary increases. This will ensure a self-sustaining and financially stable operation.

Fiscal Impact

Increasing meal prices by 2 to 3 percent annually will bring an additional \$20,000 in revenue to the food service operation.

Recommendation 6.4: Allocate General Fund expenditures incurred by food services to that operation.

While the food services department operates with federal funds and revenues from meals sold, it is supported by general fund expenditures. Utilities, custodial services, waste removal and pest control are examples of expenditures that can be allocated to a food services operation from the General Fund. At TPS, no allocations of these expenditures are made, primarily because the operation cannot financially absorb them. In recent years the food service operation has experienced small losses, but expects a small surplus this year.

Fiscal Impact

In order for the operation to be able to absorb general fund allocations – approximately \$135,000 of annual costs could be allocated – some economic variables (lunch schedules, staffing, menu prices, participation) in the food service area must be changed. The combination of the above recommendations should increase the surplus in the food service operation to levels where it can support the allocation of \$135,000 of applicable costs from the General Fund.

Chapter 7 – Student Transportation (TPS)

TPS outsources its student transportation function to an independent contractor, First Student. The contract currently in force with First Student expires in June 2013. The contract includes transportation services for regular public schools, non-public schools, Special Education students, and extra-curricular activities. Contract terms require that the vendor supply drivers and all equipment.

The TPS Transportation office is staffed with 2.4 FTEs, which includes a manager, a 12-month secretary, and a 10-month secretary. The manager is responsible for overseeing the First Student contract as well as designing and managing routes.

TPS's transportation budget for 2012-13 totals \$4.6 million. Table 7.1 shows the transportation department's actual expenditures from fiscal year 2008-09 through 2011-12. Over this four-year period, transportation expenditures have increased 12.3 percent.

Table 7.1. TPS Transportation Expenditures 2008-09 through 2012-13

Type	2008-09	2009-10	2010-11	2011-12
Staff Expenditures	\$102,275	\$111,269	\$117,407	\$121,504
Regular Student Transportation	3,428,746	3,576,957	3,373,141	3,547,814
Special Education Student Transportation	474,841	671,119	651,609	573,659
Data Processing	5,850	4,675	12,456	6,450
Other Expenditures	5,194	2,209	1,265	1,183
Total Expenditures	\$4,286,469	\$4,367,302	\$4,405,899	\$4,813,122

Source: TPS Transportation Department Expenditure Reports

Of the district's 6,975 students, approximately 5,500 or 79 percent are transported. This is a high ridership rate in comparison to most school systems.

Based on available data, the TPS appears to provide efficient and effective transportation service within the constraints imposed by geography, the organization of education services within the State, and school board policy. The overall cost per transported student is calculated to be \$875, and the annual cost per route bus is \$61,000. These results are well within regional norms. It is estimated that the cost breaks out to approximately \$770 per student for regular and non-public students and \$5,260 for special needs students. This disparity is typical, although the gross magnitude of special needs transportation costs is high.

The system uses 79 route buses, of which 46 are dedicated to regular home to school service. This service is provided on a two-tier bell schedule with the high schools and middle schools on the first tier

and the elementary schools on the second tier. A separation between tiers of approximately one-hour in the morning and 50 minutes in the afternoon provides for adequate time to complete all individual bus runs, and the split of enrolled students (3,770 on tier one; 3,610 on tier two) provides for a well-balanced and efficient structure. An average of only 1.1 buses is required to transport 100 regular/non-public students. This result is indicative of a high level of capacity utilization (seats filled on each bus run) and asset utilization (reuse of each bus for multiple runs per day).

The high special needs costs are reflective of several factors: First, students are placed not only in programs within TPS but also in schools throughout the geographic region. This, together with the specialized requirements brought about by staffing (the need for bus aides), equipment (wheel chair service), and student needs (limited ride times, limits on loading due to behavioral constraints) results in many low-density bus runs where only a few students can be included. The service is provided by 14 TPS buses, five TPS vans, and additional vans provided by CES. Approximately 34 special needs students and 115 students in out-of-district and CES placements are transported. Thus, the number of buses required is well out of proportion to the number of students transported when compared with the regular education service.

Service to non-public schools is provided using an additional 14 buses. The count of students transported was not available, but the three in-district, non-public schools provided with this service represent 23 percent of all in-district schools, and the 14 buses used represent 25 percent of all buses providing in-district service. The non-public schools' bell times are not coordinated with the TPS schedule but based on this comparison it appears that a comparable level of operating efficiency is nevertheless achieved.

Transportation Policy & Contract Documentation

The summary assessment above was based on *relative* operating efficiency. It uses unit-based comparisons, such as the cost per transported student, to draw conclusions about the system's performance relative to its peers. Of equal importance is the level of service provided. This is defined by school board policy and service contract terms. The absolute magnitude of transportation expenditures is always highly correlated with the level of service provided and, as described above, this must be evaluated in the context of the district's policy and operating constraints.

The TPS board policies on transportation and the contract with the contracted service provider are both comprehensive and descriptive. They provide an excellent foundation for planning an efficient and effective system. Many of the key factors influencing transportation cost, including eligibility for service and school bell times are clearly defined. Key planning parameters, such as the placement of bus stops, are also well covered. Operational factors that provide for good control over the system, such as the inclusion of a regular complaint/appeal process, are noteworthy additions.

The only concern that arises from a service level perspective relates to the generous eligibility policy for elementary school students. Minimum walk distances to school are established for middle and high school students. Elementary school students, however, are provided with universal service. This results

in a high proportion of transported to enrolled students (5,500 of 7,000 or 79 percent). While simply reducing the number of elementary students transported would not result in cost reductions given the current bell time structure, this does present an area where further analysis might reveal opportunities for improvement.

TPS Efficiency Opportunities

Recommendation 7.1: Restructure the transportation contract upon its expiration in 2013.

The contract document, while comprehensive and largely appropriate in content, is also highly prescriptive as to the manner in which the contractor is to provide service. The basic structure whereby services are provided on a fixed price per bus per day is consistent with best practice, as is the retention of the responsibility for route design within the district organization. That said, the contract language is heavy on detail in areas such as defining minimum contractor staffing, specific training requirements for drivers, and bus specifications. This level of specificity can lead to unnecessary increases in cost when the defined requirements are out of sync with the contractor's regular internal operating procedures. This approach may also fail to substantially increase safety or operational effectiveness. As an alternative, outcome-focused contract specifications coupled with a robust contract performance management program can yield the desired results without being overly prescriptive.

Fiscal Impact

There is no direct fiscal impact resulting from this recommendation.

Recommendation 7.2: Return to former policy of enforcing a one-mile walking radius for elementary schools.

TPS currently provides transportation to all elementary school students regardless of their proximity to the school. Previously, the district had a policy of transporting students living beyond a one-mile radius. In 2011-12, approximately 1,000 elementary students received transportation services who would not have obtained these services under a prior policy.

Providing bus services to students living close to school is rare in public education. Unless there are hazardous route conditions affecting a safe walk to school, most school systems enforce a one or two mile radius when providing student transportation. Connecticut does not have legislation that requires or promotes such a radius, but many states do.

While the cost of these routes is less than longer routes for students living further away from school, the savings from implementing a walking radius is significant and worthy of consideration.

There are a number of interrelated issues and assumptions that must be considered. First and foremost is the assumption that the reduction in the number of students transported can be reflected in a proportional decrease to the number of bus runs required. This is not always the case as the students being removed from the bus are those residing closest to school. Generally speaking bus runs created

would follow a path "out to in", with the first stop at a point in the outlying regions of the school boundary and proceeding to pick up students on a path toward the school. Thus removing the inner ring of students would lower capacity utilization on each run but would not eliminate any individual run unless the slack capacity created could be absorbed by re-routing the entire set of runs serving the school. This would certainly reduce the number of runs required, but probably not in direct proportion to the number of students removed.

Furthermore, regardless of how many bus runs would be eliminated at the elementary school level, no buses would be reduced unless the two bell time tiers could be subsequently rebalanced. Currently all of the elementary schools are on the first tier. Assuming all 46 buses used for regular transportation are performing an elementary run first followed by a middle school or high school run, simply reducing the number of elementary runs does not eliminate the need for all buses on the 2nd tier.

It would be necessary to move one of the middle schools (approximately 700 students) to the first tier to rebalance the system. So it is not the 1,025 elementary school students that is the critical number, but rather the approximately 700 middle school students that would move to the first tier from the second that would drive the result. TPS is getting excellent capacity utilization on their regular runs. Reducing elementary school runs such that one middle school could move to the first tier would result in a balanced system with approximately 700 fewer students on the second (the busiest) tier. At approximately 90 enrolled students per run, this could reduce as many as seven buses.

Fiscal Impact

At \$61,000 per bus, this recommendation would result in a savings of approximately \$427,000 annually. Actually achieving these results would require much more detailed analysis and a willingness to change eligibility policy and school bell times.

Chapter 8 – Employee Health Insurance

The Town of Trumbull and TPS each maintain separate health insurance plans but use the same provider (Anthem). The Town's insurance plan was competitively bid through insurance brokers. The TPS plan was competitively bid through an insurance consultant.

On a combined basis, approximately \$20 million is spent annually on health insurance, and the Town and TPS cover almost 75 percent of the cost, or approximately \$15 million. Employee contributions cover the remaining portion. Following are key elements about these plans and their use:

- The health insurance program participation level of TPS was 58.5 percent as of May 2012. This participation level is barely over the minimum required participation level for most carriers. This is likely due to the district paying cash in lieu of benefits to those employees not participating. The participation level for the Town of Trumbull was 93 percent as of May 2012.
- Average employee-only contributions for both entities range from \$927 to \$1,430 per year; employee and family contributions range from \$2,502 to \$6,431 per year.
- In the 2011-12 plan year, the Town of Trumbull had a total medical loss ratio of 84.5 percent compared to the TPS ratio of 101.2 percent. Both of these ratios were substantially higher than the 2010-11 plan year for the Town (68.3 percent) and TPS (84 percent) respectively.

Shared Services Opportunity

Recommendation 8.1: Consider consolidating the Town and TPS health insurance programs and moving to the new State Health Insurance Program.

Effective July 1, 2011, the state health insurance program for state employees was extended to municipalities and boards of education (Public Act 11-58). The CT Partnership Plan is managed through the Office of the State Comptroller, with approval from the Health Care Cost Containment Committee. Through participation in this statewide pool, the Town and TPS could potentially reduce their respective health insurance costs without sacrificing benefits.

Union agreements for the Town and TPS state that insurance programs can be changed by the Town or TPS, after proper notification, if the new plan is equal to or better than the existing plan. While additional analysis needs to be conducted comparing the current plans and the state plan, on the surface the benefits appear to be similar. Once enrolled in the state plan, a penalty for withdrawal is charged on a sliding scale for five years. After five years there is no cost for withdrawal.

Fiscal Impact

The average public employee-only premium in the state plan is \$492 and the average employee/family premium is \$1,329, though specific rates for the Town and TPS cannot be determined until quotes are

received. These rates are substantially less than current premium levels at the Town and TPS and it is assumed that actual CT Partnership Plan rates for Trumbull and TPS will also be lower than current rates. Based on savings rates achieved by other non-state agencies that have joined the CT Partnership Plan, the Town and TPS could save at least \$1 million annually. The Town and TPS should conduct a thorough comparative analysis of the plans to determine that converting to the state plan would meet the requirements of the labor agreements. If it does not, other financial incentives could be implemented to offset the lower benefits. The savings potential is significant enough to warrant an aggressive effort by the Town and TPS to consider this alternative. Once the Town and TPS determine what options are available, the proposed changes should be negotiated with the various collective bargaining units.

Efficiency Opportunity for Town and TPS

Recommendation 8.2: Phase out the payment of cash in lieu of benefits for employees waiving participation in the health insurance program.

Several union agreements of the Town and TPS contain a provision for this benefit. For those applicable employees who choose not to participate in the Town or TPS health insurance program, annual cash payments ranging from \$1,000 (individual) to \$5,000 (individual and dependents) are made to employees. On a combined basis, this costs the Town and TPS in excess of \$500,000 per year.

This waiver feature could be contributing to high medical loss ratios, as those employees taking the cash option are generally the healthier employees. This feature is also contributing to a low program participation rate for TPS, close to the minimum required participation level for most carriers.

The Town and TPS should negotiate the elimination of this provision in its labor agreements. Existing employees could be grandfathered, making the new policy applicable only to new employees.

Fiscal Impact

Annual savings of \$100,000 could be achieved within five years assuming a grandfather approach is negotiated.

Chapter 9 – Tax Assessment and Collection

Trumbull's tax assessor and tax collector are appointed by the First Selectman. The assessor is responsible for the appraisal of all real and personal property located within the Town limits as of October 1 of each year. General revaluation of real property occurs every five years as required by state law, with the most recent revaluation having been conducted in 2011 and the next scheduled for 2016. The three major responsibilities of the assessment function, as required by state law, are to:

- Administer ad valorem taxes
- Assess and reassess all real estate, personal property of businesses, and motor vehicles
- Maintain a records library and information center that relates to real, personal, and motor vehicle inventories, including owner's name, address, legal data, and values.

Assessed properties include vehicles, whose values are derived from National Automobile Dealers Association scheduled prices each year. A significant amount of tax payer activity involves the requests for refunds of taxes paid for vehicles that are sold, destroyed in accidents, or stolen.

Trumbull's total assessed property values, net of allowed exemptions, amounted to over \$5.1 billion in fiscal year 2010-11.

Property taxes make up approximately 93 percent of the Town's revenues. The Town uses an outside attorney and a collection agency for handling delinquent taxes. The Town has a relatively high collection rate, collecting over 98 percent of taxes in the year they are due.

Town of Trumbull residents also pay property taxes to one of three fire districts established within the Town's borders: Long Hill Fire District, Trumbull Center Fire District, and Nichols Fire District. These taxes go to support volunteer fire departments serving Trumbull residents.

Property assessment disputes are handled by a three-member Board of Assessment Appeals. Board members are elected and serve six-year terms.

The tax collection office is responsible for the billing and collection of Town property tax revenues for real estate taxes, motor vehicle taxes, personal property taxes, sewer use charges, and sewer and water assessments.

Shared Services Opportunity

Recommendation 9.1: Engage in dialog with neighboring Towns and the fire districts regarding shared services for property assessment and tax collection efforts.

Table 9.1 presents comparative staffing data for Trumbull's Tax Assessment and Tax Collection functions. This table shows staffing levels for the tax assessment and tax collection functions for Trumbull and a set of peer towns. The staffing numbers shown include the chief assessor and collector.

Table 9.1. Comparative Staffing Data for Tax Assessment and Collection Functions

Town/City	Population	Net Grand List (\$ in Millions)	Median Household Income	Land in Square Miles	Tax Assessment Office Staffing (FTE)	Tax Collection Office Staffing (FTE)
Trumbull	36,000	\$5,114	\$103,000	23.29	5	5.5
Cheshire	29,000	\$2,826	\$80,000	32.91	4	5
Glastonbury	34,000	\$4,126	\$58,000	51.37	5	4
Monroe	19,000	\$2,283	\$85,000	26.13	N/A	N/A
Newtown	28,000	\$3,908	\$90,000	57.76	2.5	3.5
Shelton (city)	39,000	\$5,198	\$67,000	30.57	N/A	N/A
Westport	26,000	\$10,907	\$147,000	20.01	6	5

Source: *Municipal Fiscal Indicators*, November 2011 published by the Connecticut Office of Policy and Management

To compare the relative staffing efficiency of these functions, the number of residents per tax assessment or tax collection employee to account for differences in town population size were calculated. Table 9.2 presents this comparison and shows that in the assessment function, the Town of Trumbull is about as efficient as the Town of Cheshire, and more efficient than the towns of Glastonbury, and Westport. Out of all the comparison towns, Newtown is the most efficient with each of its assessment staff members serving 112 residents.

Table 9.2. Comparative Staffing Data per Resident

Town/City	Tax Assessment Office Staffing (100 Residents per FTE)	Tax Collection Office Staffing (100 Residents per FTE)
Trumbull	72 .0	65.5
Cheshire	72.5	58.0
Glastonbury	68.0	85.0
Monroe	N/A	N/A
Newtown	112.0	80.0
Shelton (city)	N/A	N/A
Westport	43.3	52.0
Average	73.6	68.1

Source: Based on telephone interviews with peer towns

The Town of Trumbull is not using utilizing Munis software to maximize the efficiency of its tax assessment and collection efforts (such as electronic payment online – See recommendation 9.2). Based on the comparative data above, it does not appear that other towns and cities are maximizing the use of these technologies either. Consideration of shared services with other municipalities and fire districts should not be pursued until Trumbull re-engineers its processes that take advantage of the Munis software capabilities. However, at that time, it could generate revenue opportunities for the Town of Trumbull.

Fiscal Impact

While sharing services could result in additional revenues to the Town of Trumbull, the fiscal impact of this recommendation cannot be determined until the Town tax assessment and collection functions are streamlined through maximization of Munis software, and a feasibility study of consolidation is conducted.

Efficiency Opportunity for the Town of Trumbull

Recommendation 9.2 Develop alternative payment mechanisms for the Town of Trumbull Tax Collection Office.

Currently, tax payers can either pay their tax bills in person, through the mail, or online. Online payments have a convenience fee of 3 percent for payment amounts of less than \$10,000. Payments of \$10,000 and above are charged a convenience fee of 2.5 percent. Fire district taxes can only be paid in person or via mail.

During tax deadlines, the Tax Collection Office is overwhelmed with taxpayers paying in person, and recently remodeled its office to accommodate the flow of in-person payers.

The Town's current Munis ERP system is capable of enabling online payments from customers. The Town should investigate the options of using these features. In addition, the installation of drop boxes could also allow tax payers to make payments after-hours.

Fiscal Impact

Through maximization of software capabilities and the identification of lower cost online payments, fewer staff should be needed in the Town office to manually process payments. While it is expected that this could be up to 50 percent of the current staff effort, additional analysis is needed to evaluate lower cost online payment options.



Attachment A – Five-Year Fiscal Impacts

Recommendation	Priority	One-Time (Cost)/ Savings	2012-13	2013-14	2014-15	2015-16	2016-17	Total Fiscal Impact
Administrative Services								
3.1 Consolidate the accounts payable and payroll functions of the school district into the Town of Trumbull's Finance Department.	Medium	\$0	\$0	\$0	\$63,835	\$63,835	\$63,835	\$191,505
3.2 Improve purchasing power by collaborating on bulk purchases and making better use of cooperative purchasing arrangements.	High	\$0	TBD	TBD	TBD	TBD	TBD	TBD
3.3 Ensure that both the Town and TPS have regular internal audits that are based on comprehensive risk assessments.	High	(\$25,000)	\$0	\$0	\$0	\$0	\$0	(\$25,000)
3.4 Implement an automated timekeeping system for both the Town of Trumbull and for Trumbull Public Schools.	High	(\$213,000)	\$0	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$293,000)
3.5 Implement a mandatory direct deposit policy for both the Town of Trumbull and Trumbull Public Schools.	Low	\$0	TBD	TBD	TBD	TBD	TBD	TBD
3.6 Streamline the payroll process by moving to less frequent payrolls.	Low	\$0	TBD	TBD	TBD	TBD	TBD	TBD
3.7 Incorporate efficiency measurement into the Town of Trumbull and the TPS budget development process to ensure efficiency in future years.	Medium	\$0	TBD	TBD	TBD	TBD	TBD	TBD
3.8 Improve financial transparency by overhauling the TPS chart of accounts.	Medium	(\$15,000)	\$0	\$0	\$0	\$0	\$0	(\$15,000)

Recommendation	Priority	One-Time (Cost)/ Savings	2012-13	2013-14	2014-15	2015-16	2016-17	Total Fiscal Impact
3.9 Conduct a detailed audit of the TPS payroll function, including employee leave reporting processes.	High	(\$15,000)	\$0	\$0	\$0	\$0	\$0	(\$15,000)
Technology								
4.1 Investigate opportunities for consolidated or shared IT services between the Town and TPS and develop a consolidated IT plan.	Medium	\$0	\$0	\$0	\$92,000	\$92,000	\$92,000	\$276,000
4.2 Upgrade technology equipment and network infrastructure based on current and future needs.	High	TBD	TBD	TBD	TBD	TBD	TBD	TBD
4.3 The Town of Trumbull and TPS need to fully implement Munis, and TPS needs to eliminate duplicate information systems.	High	(\$10,000)	\$0	\$0	\$0	\$0	\$0	(\$10,000)
Custodial and Maintenance Services								
5.1 Develop a cooperative maintenance and custodial function between TPS and the Town.	Medium	\$0	\$0	\$111,077	\$111,077	\$111,077	\$111,077	\$444,308
5.2 Conduct a comprehensive energy audit.	High	TBD	TBD	TBD	TBD	TBD	TBD	TBD
5.3 Over the next three years, convert up to 25 percent of the custodial work force from 260-day to 186-day schedules.	Medium	\$0	TBD	\$58,000	\$116,000	\$174,000	\$174,000	\$522,000
5.4 Consider outsourcing custodial services.	Medium	\$0	\$0	\$0	\$700,000	\$700,000	\$700,000	\$2,100,000
Food Services								
6.1 Implement a more efficient schedule to achieve an increase in Food Services staffing efficiencies.	High	\$0	(1)	(1)	(1)	(1)	(1)	(1)

Recommendation	Priority	One-Time (Cost)/ Savings	2012-13	2013-14	2014-15	2015-16	2016-17	Total Fiscal Impact
6.2 Increase student participation rates in TPS school cafeterias.	High	\$0	(1)	(1)	(1)	(1)	(1)	(1)
6.3 Increase TPS school lunch prices.	High	\$0	(1)	(1)	(1)	(1)	(1)	(1)
6.4 Allocate general fund expenditures incurred by Food Services to that operation.	High	\$0	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$675,000
Transportation								
7.1 Restructure the transportation contract upon its expiration in 2013.	Low	\$0	TBD	TBD	TBD	TBD	TBD	TBD
7.2 Return to former policy of enforcing a one-mile walking radius for elementary schools.	High	\$0	\$0	\$427,000	\$427,000	\$427,000	\$427,000	\$1,708,000
Employee Health Insurance								
8.1 Consider consolidating the Town and TPS health insurance programs and moving to the new State Health Insurance Program.	High	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
8.2 Phase out the payment of cash in lieu of benefits for employees waiving participation in the health insurance program.	High	\$0	(2)	(2)	(2)	(2)	(2)	(2)
Tax Assessment and Collection								
9.1 Engage in dialog with neighboring towns and the fire districts to form consolidated property assessment and tax collection efforts.	Low	TBD	TBD	TBD	TBD	TBD	TBD	TBD
9.2 Develop alternative payment mechanisms for the Town of Trumbull Tax Collection Office.	Medium	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Net Fiscal Impact		(\$278,000)	\$135,000	\$1,711,077	\$2,624,912	\$2,682,912	\$2,682,912	\$9,588,813

Table Notes:

- ⁽¹⁾ Savings associated with these recommendations will accrue to the Food Services Fund, not the General Fund. However, implementing these recommendations will allow the Food Service Fund to fully cover its share of expenditures now being incurred by the General Fund (Recommendation 6.4).
- ⁽²⁾ Implementation of this recommendation will result in an annual savings estimated to be \$100,000. However, this recommendation should be implemented to affect new employees, so the savings would be realized after five years.



Attachment B – Sample Operational Performance Measures

Performance Measure	Level	Explanation
General District Management		
Ratio of students (enrollment) to Full-Time-Equivalent (FTE) employees	District	
Ratio of students (enrollment) to non-teaching FTE employees	District	
Central administration and instructional leadership expenditures (general fund) per pupil	District	
Central administration and instructional leadership expenditures (general fund), as a percentage of total expenditures	District	
General fund balance as a percent of target fund balance	District	
Percentage of students economically disadvantaged, mapped against the percentage of total revenue supported by federal funds	District	
School Management		
Pupil-teacher ratio, by school	Campus	
Pupil-aide ratio, by school	Campus	
Special education student population as a percent of total enrollment	District	
Percentage of schools meeting staffing standards for Principals, Assistant principals, Counselors, library/media specialists	Campus	
Average teacher class load per term by secondary schools	Campus	
Number of secondary class periods with < 5 students enrolled by school	Secondary Campus	
Number of secondary class periods with < 10 students enrolled by school	Secondary Campus	
Finance		
Number of total employees per finance department employee	District	To track the efficiency of the finance department.
Number of invoices and direct payments made per accounts payable personnel (FTE)	District	
Number of AP checks processed per AP department FTE	District	To track the efficiency of the accounts payable department.
Average age of Accounts Payable	District	
Number of Accounts Payable check voids and reissues	District	
Number of purchase orders processed per purchasing FTE	District	To track the efficiency of the purchasing department.
Average dollar value of purchase orders processed	District	
Number of payroll checks processed per number of payroll FTE	District	To track the efficiency of the payroll department.
Number of payroll check/advice voids and reissues	District	

Performance Measure	Level	Explanation
Human Resources and Benefits		
Number of district employees per FTE human resources employee	District	To track the efficiency of the HR department.
Number of employment applications processed	District	To measure efficiency of staffing, as new processes and technologies are implemented.
Average days from position vacancy to recommendation by hiring manager	District	To measure efficiency of job posting and candidate selection
Average days from recommendation by hiring manager to start date	District	To measure efficiency of "on boarding" process from when an employee is selected to when they begin work.
Non-certified teachers as a percentage of total teachers	District	NCLB-related measure
Total overtime cost	District	To determine if adding additional staff would be cheaper.
Turnover rate for teachers	District	
New teacher turnover rate (one year or less)	District	To determine if turnover is primarily new teachers - could prompt changes in "on boarding" or mentoring.
Turnover rate for non-teachers	District	
Low income/high minority campuses compared to teachers experience	Campus	To determine whether new teachers are being concentrated in low income/high minority campuses
Percentage of teachers by ethnicity, compared to percentage of students by ethnicity	Campus	To see if ethnicity percentages of teachers are similar to students
Teacher absentee days per year by campus	Campus	
Substitute costs per year per campus	Campus	
Benefits cost as a percentage of total salaries and wages	District	

Performance Measure	Level	Explanation
Technology		
Students (enrollment) per instructional computer (in classrooms and labs, plus laptops)	District	
Average age of PCs	District	
Average age of Apple computers	District	
Number of computers per maintenance, repair, installation FTEs	District	
Ratio of total students to total technology staff	District	
Ratio of total students to total instructional technology staff (including campus liaisons)	District	
Ratio of total employees to total technology staff	District	
Ratio of total employees to technical support staff	District	
Ratio of total computers to technical support staff	District	
Ratio of instructional computers to instructional technology staff	District	
Average turnaround time for computer work orders (days)	District	
Facilities		
Average annual salary of skilled trades/maintenance FTE	District	
Maintenance expenditures per gross square foot (Including portables)	District	
Maintenance expenditures as a percent of total expenditures	District	
Total maintenance expenditures per student	District	
Gross square feet per maintenance FTE	District	
Average turnaround time (days) for maintenance work orders to be closed	District	
Percentage of work orders that were preventative	District	
Average salary of all building and grounds FTE	District	
Average annual salary of custodial FTE	District	
Custodial salaries per gross square foot (Including portables)	District	
Gross square feet per FTE custodian	District	
Acres per grounds FTE	District	
Facility capacity (permanent only) versus occupancy by school (TEA standards for capacity, room size)	Campus	
Facility capacity (all incl. Portables) versus occupancy by school (TEA standards for capacity, room size)	Campus	
Percentage of square footage that is portable classrooms	Campus	To show how much portable sq footage the district has
Percentage of district portable classrooms by school	Campus	To show where portables are concentrated
Electricity cost (kwh) per square foot	Campus	
Water cost (kgal) per square foot	Campus	
Natural gas cost (ccf) per square foot	Campus	

Performance Measure	Level	Explanation
Nutrition		
Meals Per Labor Hour (MPLH), By School	Campus	
Participation Rates (Bfast/Lunch), By School:	Campus	
Free (Percentage Participating)	Campus	
Reduced Price (Percentage Participating)	Campus	
Paid (Number of Paid Meals Per Year)	Campus	
Free and Reduced Price Bfast / Lunch participating versus eligible	Campus	
Net Profit (Loss) of Food Services Operation	District	
Net Profit (Loss), By School	Campus	
Indirect costs allocated to food service (amount and type)(from gen. fund only)	District	
Cash in lieu of commodities	District	
Food cost as a percent of total cost	Both	
Schools Only	Campus	
All District Facilities	District	
Transportation		
Total cost per mile driven	District	To measure cost of transportation program
Total cost per average daily rider	District	To measure cost of transportation program
Average fuel cost per gallon (gasoline and diesel)	District	
Annual transportation cost per student rider	District	
Annual maintenance cost per bus	District	
Accidents every 100,000 miles of service	District	
Student incidents every 1,000 students transported	District	
Maximum length of student time on school bus (minute)	District	
Annual turnover rate for bus drivers	District	
Annual turnover rate for bus monitors	District	