

March 29th 2023

Joint Meeting BOE and BOF



Welcome

BOE	BOF Middlebury	BOF Southbury
Marion Manzo, Chairperson Heather Rodgers, Treasurer John Jenusitis, Secretary Sharon Attick Shannon Cavallo Heather Dwyer Tom Marks Richard Spierto Steve Suriani Peter Vaccarelli	Vincent Cipriano, Chairman Rita Smith John Jenusaitis Dawn Albizu-Calabrese Stephen Ruccio Joseph Drauss <i>Alternate</i> John Moriarty Brendan Browne Natrajan Kuppuraj	John Michaels, Chairman Thomas Connor, Vice Chairman Catherine P. De Carli Brian P. Emerick John Kelly John L. Reilly Steven Giacomi Richard R. Hill Audrie DeRouen

MISSION/ VISION

“The mission of Region 15, a collaborative community committed to excellence, is to educate every student to be productive, ethical, and engaged in a global society through proven and innovative learning experiences supported by its strong community whose decision-making is based on the best interest of all students.”

Theories of Action

- *If we foster schools that are welcoming and inclusive to all students then students will feel valued and they will be better able to access their learning.*
- *If we improve our ability to align assessments to curriculum, improve our data culture, and increase our analysis of student learning, then we will be more equipped to provide meaningful student engagement and increased achievement.*
- *If we embrace communication, transparency, and collaborative relationships within ourselves and the community then we will improve trust and participation in supporting our students.*
- *If we increase and promote access to career pathways, curriculum, and shared instructional experiences then our district will prepare students for the world they will enter after their time with us.*

TWO ELEMENTARY STUDENTS SELECTED AS MEMBER OF CONNECTICUT'S KID GOVERNOR CABINET

Teacher Recognized as Connecticut's Smart/Maher VFW National Citizenship Education Teacher

ADMINISTRATOR FINALIST FOR 2023 WOMEN IN SCHOOL LEADERSHIP AWARDS SPONSORED BY AASA

AP Scholars/AP Honors, AP District Honor Roll

Memorial Middle School student selected as winner for the District 2 Patriot Pen Essay Competition & placed 2nd at State Level

National Merit Commended Students

Students recognized at State and National levels for their Art, Music, and Athletics Accomplishments

Two Pomperaug High School Student Musicians Selected for All-Eastern Honors Ensembles

Twenty-two Pomperaug High School Students Participated in American Mathematics Competition at PHS

Math Coaches Presented at ATOMIC: Association of Teachers of Math in Connecticut / CT Council of Leaders of Math. One of the math coaches received *The Mari Muri Award*.

Pomperaug High School Student first place winner in the Connecticut Higher Education Trust (CHET) Dream Big! Competition offered by Connecticut's Office of the Treasurer (OTT)

Athletic programs that have produced several conference and state championships.

It is for achievements like these that, in Southbury's recent community survey, more than 50% of residents as the primary reason they moved to our district.

District Quality Results

BUDGET CHALLENGES

Short Term:

- Predict future financial impact of pandemic
 - Future financial liabilities
 - Financial implication to communities
 - Strategically managing future financial cliffs: staffing/ reoccurring costs
 - Smoothing or stepdown of reoccurring cost offsets subsidized by federal grants
- Increasing need for large capital projects and aging buildings
 - Flat funds the debt obligations with the intent to reissue a maturing bond to address large capital repairs
- Absorbing the unanticipated costs and Increased need for student services that impacted the current budget
- Rising inflationary costs
 - Transportation, Wages, Utilities
- Meeting State and Federal Mandates
 - Adjustments to meet minimum wage laws, staff training

Long Term:

- Fixed costs (Transportation, Energy, Workers' comp)
- Shifting Financial Burden from State to Local Government
- Aging Buildings and maintenance costs



Cost Efficiencies and Budget Offsets

- Energy:
 - Electricity Rates locked at \$.115
 - Solar Energy is generating \$40,000 in energy credits
 - Several Eversource Energy Efficiency leasing paid off
 - All but two district owned facilities have been or are in the process of being converted to natural gas
 - Oil locked in at \$2.96
- Transportation:
 - Renegotiated bus contract. Increase of 7.5% as opposed to an estimated 12-18%
 - Diesel fuel locked for \$3.04
 - Regional transportation collaborative being formed with a goal to reduce market volatility and better manage rising cost
- Grants
 - School security grant for \$188,000
 - Pending approval for Middlebury Elementary School water line for \$600,000

Proposed BUDGET SUMMARY

Budget object	2022-23	2023-24	Yr to Yr	% Change	% of Total	% of Total Increase
Category	Adopted	Proposed	Change \$	Change %	2023-24 Budget	% Increase overall
Salaries	\$45,381,506	\$47,483,438	2,101,932	4.63%	55.28%	2.62%
Benefits	\$14,284,487	\$15,093,116	808,629	5.66%	17.57%	1.01%
Instructional	\$3,424,005	\$4,000,008	576,003	16.82%	4.66%	0.72%
Non-Instructional	\$1,024,728	\$1,034,705	9,977	0.97%	1.20%	0.01%
Transportation	\$5,494,735	\$6,242,637	747,902	13.61%	7.27%	0.93%
Facilities	\$3,436,186	\$3,871,696	435,510	12.67%	4.51%	0.54%
Tuition	\$5,710,495	\$6,591,363	880,868	15.43%	7.67%	1.10%
Debt	\$1,581,872	\$1,581,872	\$0	0.00%	1.84%	0.00%
Total Gross Budget	\$80,338,014	\$85,898,835	5,560,821	6.92%		6.92%
Revenue*	\$2,593,954	\$3,530,876	\$936,922	36.12%		-0.097
Proposed Total	\$77,744,060	\$82,367,959	\$4,623,899			5.95%

* Projected Revenue increases yr to yr but has an inverse relationship to the overall budget

Presented to the R15 Board
of Education 2/27/2023

BUDGET TOTALS BY COMMUNITY

	2022-2023 Adopted	2023-24 Proposed	% Increase
Total School Budget Gross	\$80,338,014	\$85,898,835	6.92%
Total Revenue	\$2,593,954	\$3,530,876	36%
Total School Budget Net*	\$77,744,060	\$82,367,959	5.9%

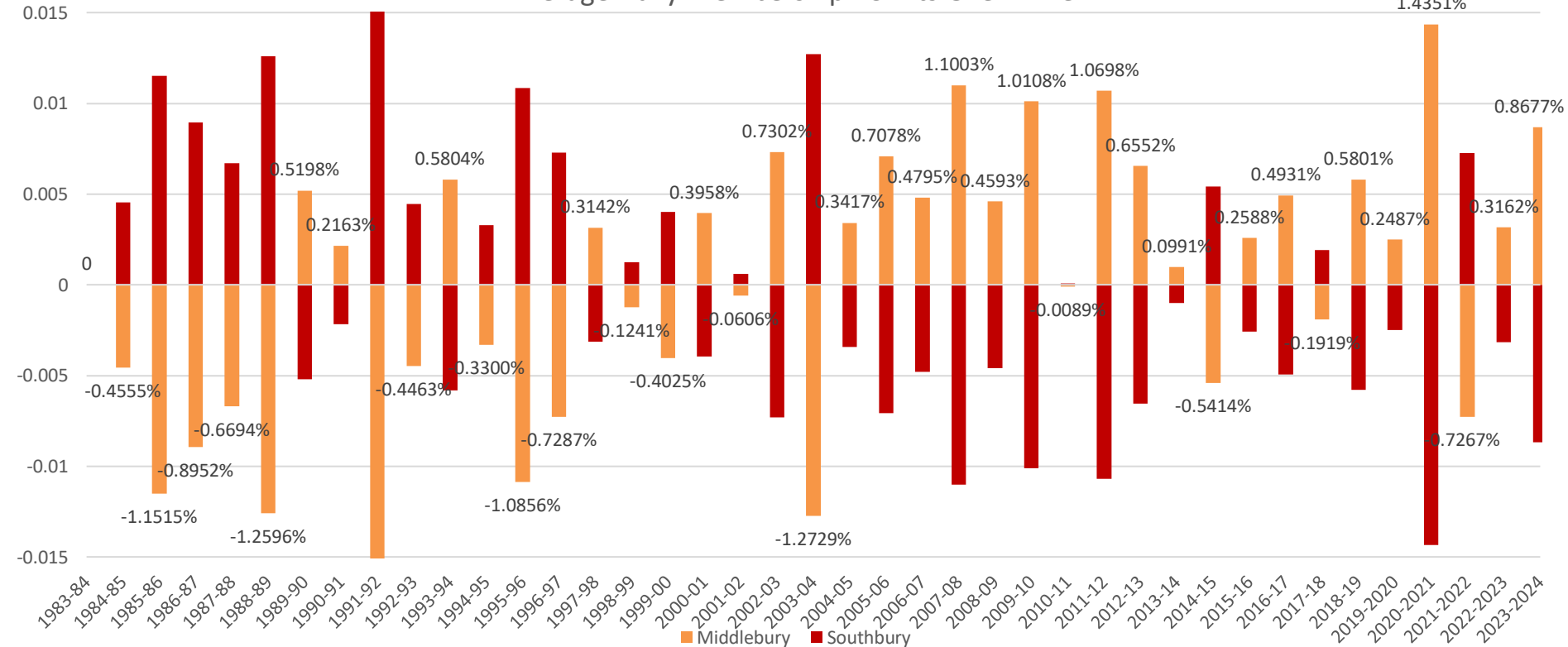
* Town funding totals based on Net Budget Totals

	2022-23 Adopted	2023-2024 Proposed	Percent Distribution	Dollar Increase	% Increase
Middlebury	\$26,234,267	\$28,509,280	34.6121%	\$2,275,014	8.67%
Southbury	\$51,509,793	\$53,585,679	65.3879%	\$2,348,885	4.56%

Presented to the R15 Board
of Education 2/27/2023

Average Daily Membership

Average Daily Membership - Shifts Over Time



Presented to the R15 Board
of Education 2/27/2023

Financial Report as of February 2023

2022-23 Financial Report as of February 2023

Object Code	Description	GL Budget	YTD	Encumbrance	Budget Bal	%
100	Salaries	\$ 45,381,506	\$ 26,243,874	\$ 18,803,516	\$ 334,117	0.7%
200	Benefits	\$ 14,444,487	\$ 6,746,873	\$ 7,266,412	\$ 431,202	3.0%
300	Professional Services	\$ 1,168,042	\$ 920,699	\$ 709,406	\$ (462,063)	-39.6%
400	Purchase Services	\$ 2,493,605	\$ 1,609,071	\$ 897,257	\$ (12,723)	-0.5%
500	Transportation and tuition	\$ 11,859,005	\$ 7,744,320	\$ 4,725,662	\$ (610,977)	-5.2%
600	Supplies and Equipment	\$ 3,064,464	\$ 1,934,592	\$ 1,025,542	\$ 104,331	3.4%
700	Technology	\$ 198,379	\$ 178,387	\$ 25,832	\$ (5,840)	-2.9%
800	Debt Services and Dues/Fees	\$ 1,728,524	\$ 1,674,760	\$ 3,738	\$ 50,026	2.9%
	Total*	\$ 80,338,014	\$ 47,052,576	\$ 33,457,366	\$ (171,928)	-0.2%

*Negative balance will be offset by Revenue Increases

FY 23 Local Non-Municipal Revenue

Revenue Budget						
	Budget 22-23		YTD	Balance	Budget Bal	
Extra Pay/Duty Pay for Play MS Music	\$5,250.00		\$18,825.00	\$18,825.00	\$13,575.00	72.11%
Extra Pay/Duty Pay for Play Sports	\$70,000.00		\$70,000.00	\$70,000.00	\$0.00	0.00%
Athletics Transportation	\$110,000.00		\$110,000.00	\$110,000.00	\$0.00	0.00%
PHS Parking	\$55,000.00		\$37,852.00	\$37,852.00	(\$17,148.00)	-45.30%
Student Transportation Friends Together	\$170,000.00		\$147,120.00	\$147,120.00	(\$22,880.00)	-15.55%
Total Local Non tax payer sources	\$410,250.00		\$383,797.00	\$383,797.00	(\$26,453.00)	11.26%

Excess Cost

- State Reimbursement Grant that is paid directly to the school district to address the federal commitment as outlined in the 1990 IDEA (Individuals with Disabilities Education Act)
- Currently this funding is not tied to any community wealth related formula, however some of the current legislative proposals suggest that it could be a component in the future.
- The initial threshold for which a student is eligible for the Excess Cost grant is referred to as the "Basic Contribution or per pupil expenditure". For LEA placements or students educated within the district the threshold is equal to the prior year's Net Current Expenditures per Pupil (NCEP) x 4.5. For placements initiated by a state agency, e.g., the Department of Children and Families, the threshold is equal to the prior year's NCEP x 1.
- From this formula for eligible costs, the state reimburses district a percent of that cost based on the total available funds. This rate is usually between 65% and 75% of the district's costs. For the current year the state has increased the rate to 88% and is projected at 80% in the 23024 budget.

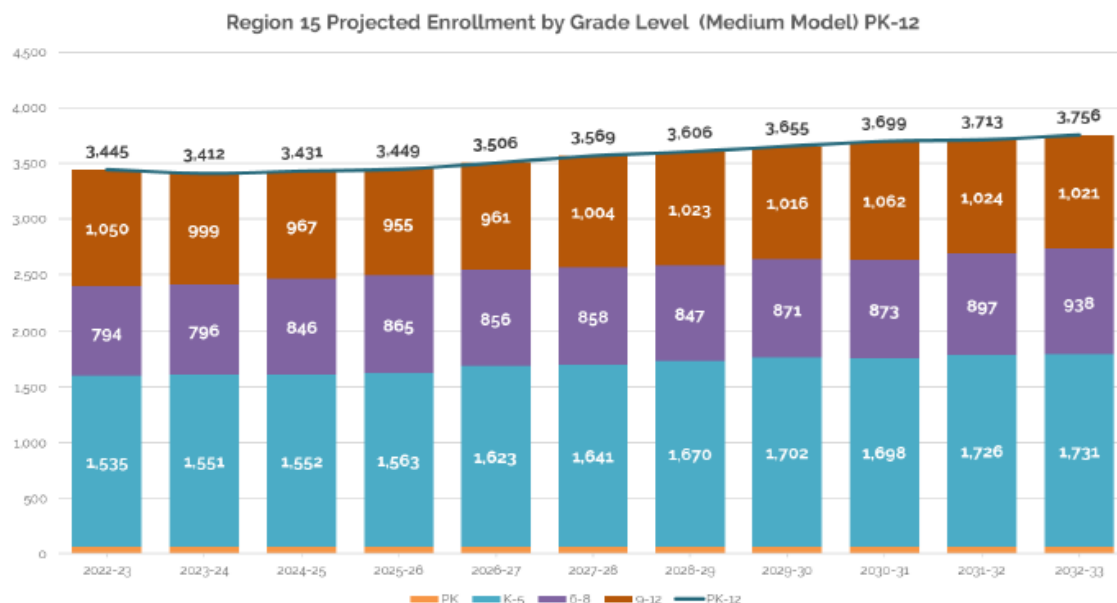
FY 23 Federal and State Revenue

	Budget 22-23	YTD	Balance	Budget Bal	
Student Trans Services Magnet	\$27,000.00	\$27,000.00	\$27,000.00	\$0.00	0.00%
Purchase Services Adult Ed	\$900.00	\$900.00	\$900.00	\$0.00	0.00%
Total Fed Grant Regular Ed	\$27,900.00	\$27,900.00	\$27,900.00	\$0.00	0.00%
Excess Cost Grant	\$2,026,724.00	\$2,937,407	\$2,937,407	\$910,683	31.00%
Total Fed Grant Excess Cost	\$2,026,724.00	\$2,937,407	\$2,937,407	\$910,683	
Tuition State placement Excess Cost	\$147,887.00	\$158,719.00	\$156,452.00	\$10,832.00	6.92%
Total Fed Grant API	\$147,887	\$158,719.00	\$156,452.00	\$10,832.00	
Total Revenue Offset	\$2,612,761	\$3,507,823	\$3,505,556	\$895,062	25.53%



Enrollment Projections (Medium) Model

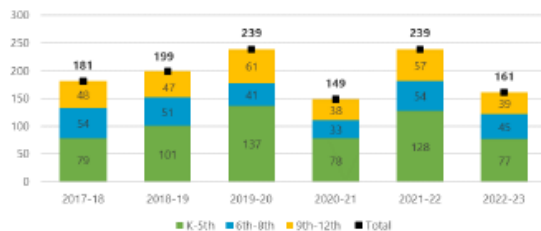
- Stable Elementary (K-5) enrollment over the next three years, averaging ~1,550 students followed by a period of modest growth as larger birth cohorts enter kindergarten, reaching 1,731 students by 2032-33.
- Middle (6-8) enrollment is projected experience the greatest growth of 18% through 2032-33, as larger elementary cohorts begin to matriculate into the middle school grades.
- High (9-12) enrollment is projected to decline and bottom out at 961 students by 2026-27, then rebound to 1,021 students by 2032-33.



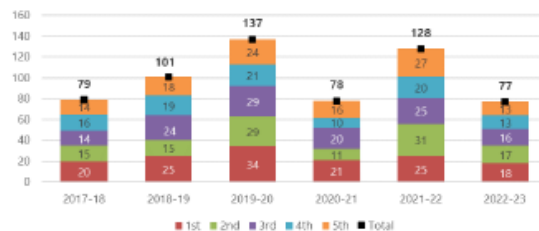


Student In-Migration Analysis

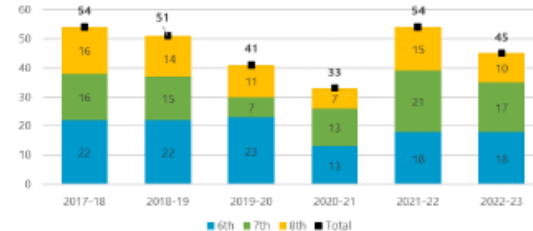
New-to-District Students By Grade Grouping



New-to-District Students (Grades 1st-5th)

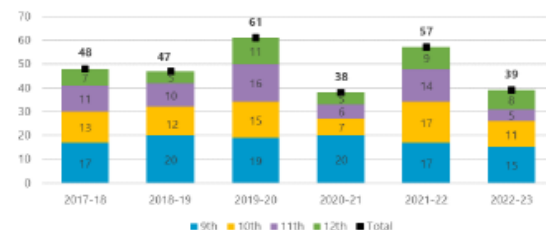


New-to-District Students (Grades 6th-8th)



- “New-to-District (NTD) Students” are identified by comparing unique student identifiers (SASID’s) that were not enrolled the previous year, for students in grades 1-12
- High levels of NTD students in 2019-20 and 2021-22 at 239 students.
- Decrease in number of NTD students in 2022-23 to just 161.
- Elementary NTD students for 2022-23 was lowest in recent memory a 77 students.
- NTD students in middle and high school grades also decreased for 2022-23, but at a lesser rate than elementary students

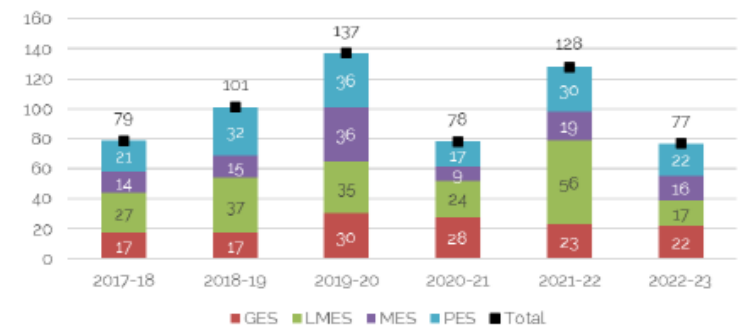
New-to-District Students (9th-12th)



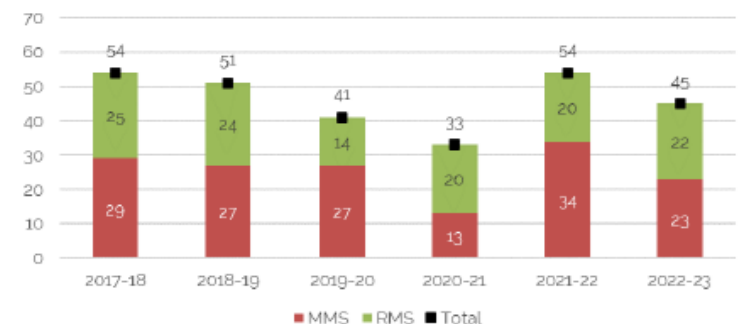
Student In-Migration Analysis

- "New-to-District (NTD) Students" were examined at the individual elementary and middle schools
- For 2022-23, PES (22) and GES (22) experienced the highest number of NTD students
- All elementary schools had a lower number of NTD students compared to 2021-22, with the sharpest drop off at LMES (56 in 2021-22 and 17 in 2022-23)
- Both middle schools saw similar number of new to district students with 23 at MMS and 22 at RMS.

"New-to-District Students" (Grades 1-5)



"New-to-District Students" (Grades 6-8)



Class Size

For almost 15 years the Board of Education's Resolution that defines optimal class size goals as follows:
While this is not a mandate, it is a guide that the Board works to maintain.

Grade	Size or Range
Kindergarten – First Grade	18
Second and Third Grade	21
Fourth –Sixth Grade	23
Seventh and Eighth Grade	24
High School Courses	15-25

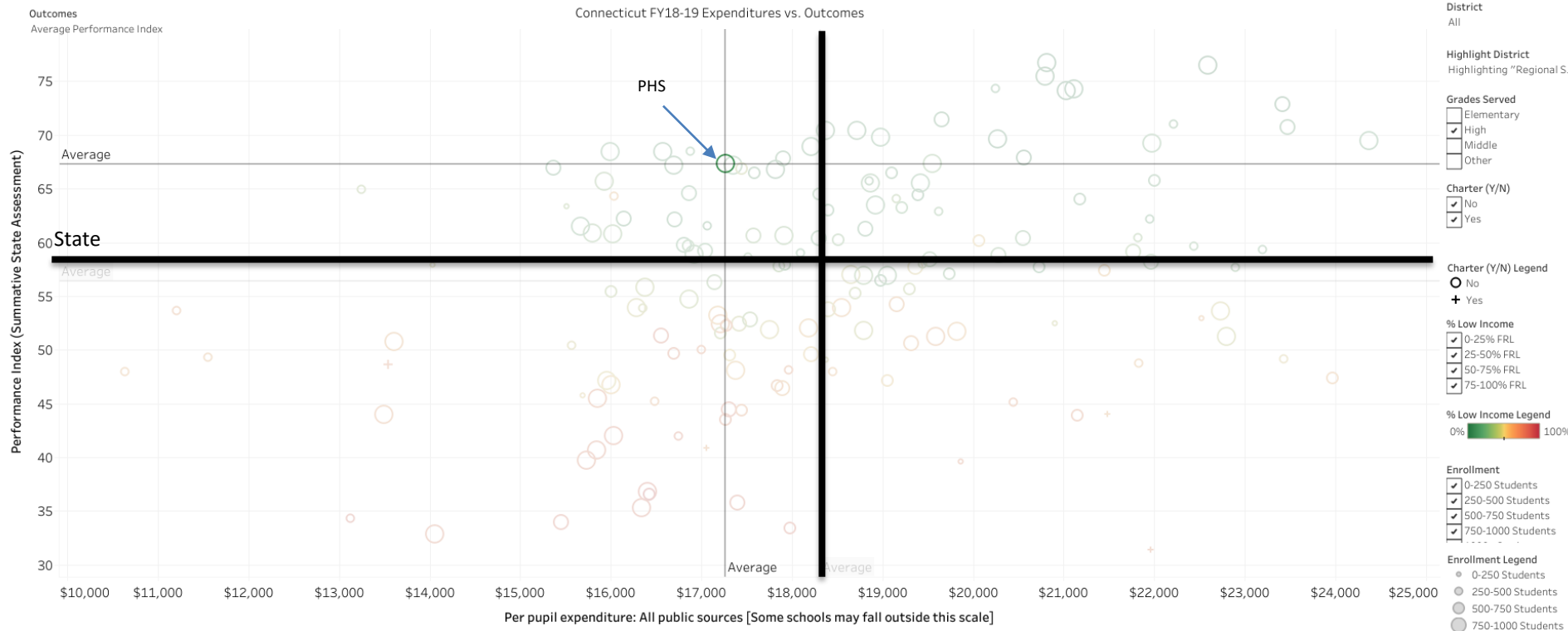
Enrollment and Staffing presented at the January Board of Education Meeting:

https://drive.google.com/drive/folders/1fUm7ChMAnB_nqwLWffSxYeJCaRM0_hj2

Understanding Per Pupil Expenditure

- State Calculation based on mandated state financial reporting standards annually
- State calculation is usually 2 years behind due to reporting cycles
- Expenditures exclude food services not funded by local funds, debt, capital (other than equipment), adult education, community services, and state contributions to Teachers' Retirement
- For Regional districts pension contribution are included in the calculation
- Geography, district layout, context are all contributing factors
- Productive as a general construct but not a true performance metric or hard comparisons
- While there is not a direct correlation between funding and student performance, there are general trends.
 - Baseline funding that provides sufficient resources to afford a comprehensive scope of educational programs, reasonable class size, and supports for students with needs.
 - Consistent, expected funding levels that allow for multiyear planning
 - Efficient and cost effective are often at odds with best practice and community expectations.
 - Would we expect the least expensive and minimum allowable security measures?
- At our core we are a public service, with a commitment and set of expectations to maintain a high-quality school district that is the primary driver of most home buyers. Efficiency at the expense of performance negatively impacts the value of the community.

CT FY18-19 Per Pupil Expenditure vs. Performance - High School Level

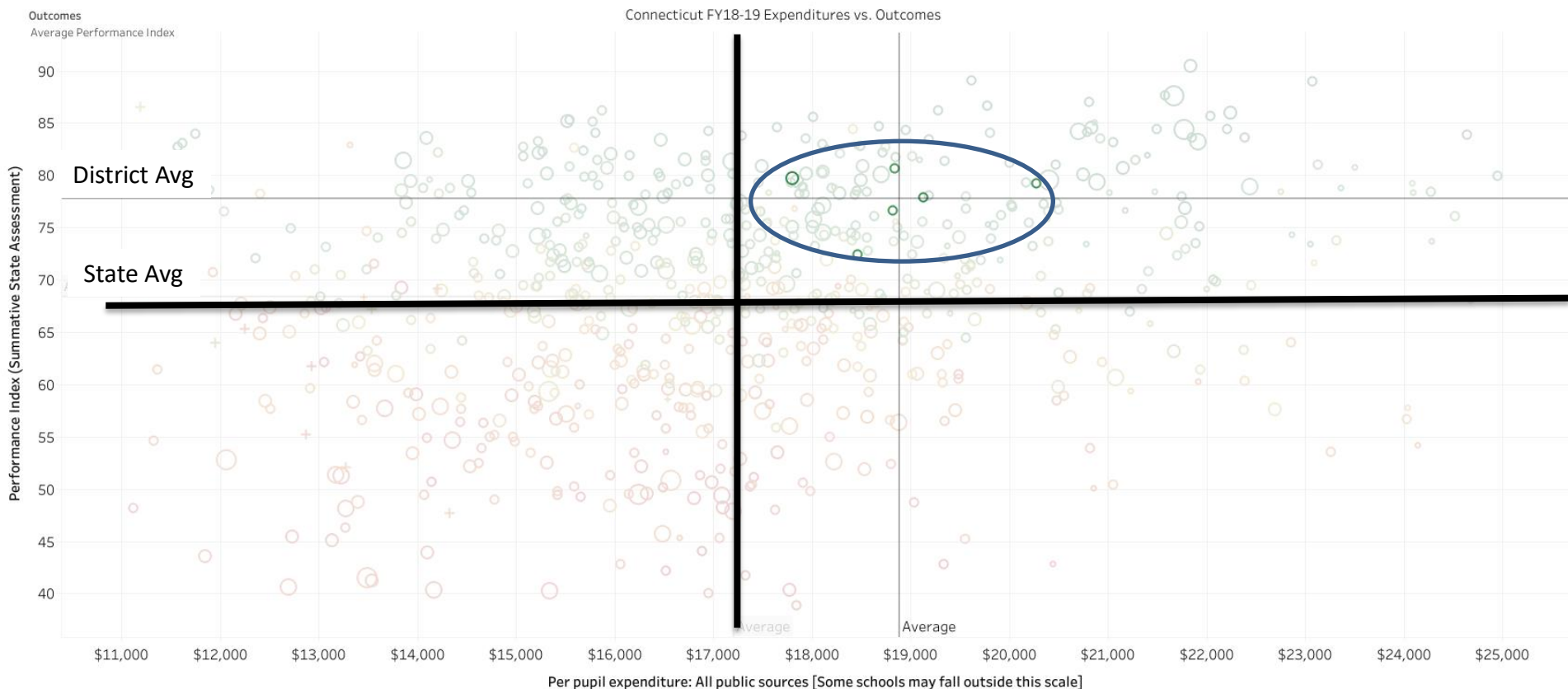


SPENDING data for each school was collected from the [National Education Resource Database on Schools \(NERDS\)](#) and is shown on the horizontal axis per student. Note at what value the axis starts (this is often > zero). OUTCOMES are shown on the vertical axis as the percentage of students who were proficient on the state test. The proficiency is averaged across English language arts and mathematics in tested grades.

Atypical schools such as alternative schools or those serving special education students may be excluded. Visit <https://georgetown.box.com/s/evvk0c5sdiuhj63wab3nw0vl0tb65a3j> for full list of excluded schools. Axes were cropped at \$10,000 and \$25,000, so schools outside of those bounds will not appear. Due to data suppressed for student privacy, not all schools may appear under each proficiency metric. Email Katie at KS1747@georgetown.edu for questions.

How to view this chart:

Expenditures exclude food services not funded by local funds, debt, capital (other than equipment), adult education, community services, and state contributions to Teachers' Retirement. All amounts include regular and special education. This is only a snapshot and demonstrates general assumptions but does not include a wide range of variables or complete data sets that are necessary to make informed decisions based on local context.



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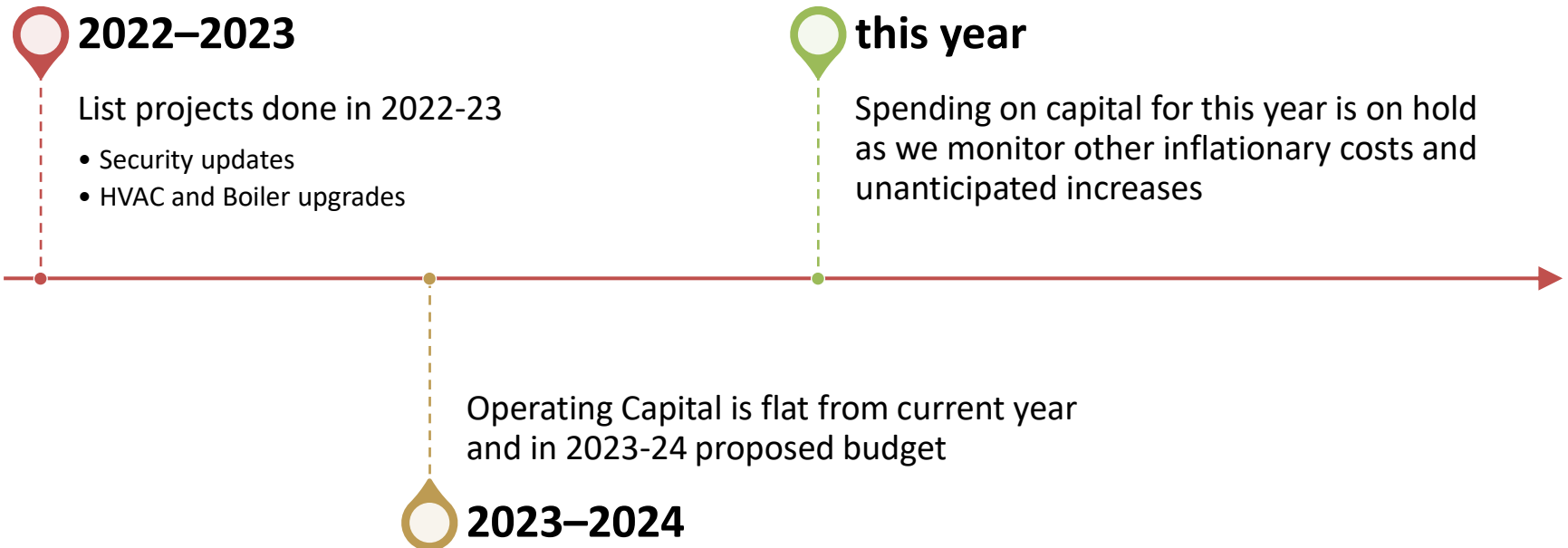
CT FY18-19 Per Pupil Expenditure vs. Performance Elementary and Middle School Level

Expenditures exclude food services not funded by local funds, debt, capital (other than equipment), adult education, community services, and state contributions to Teachers' Retirement. All amounts include regular and special education. This is only a snapshot and demonstrates general assumptions but does not include a wide range of variables or complete data sets that are necessary to make informed decisions based on local context.

Fiscal Year	Total Existing Debt Service	Annual Change	Amount Budgeted	\$11,275,000 Combined Bonding					Total Existing & Proposed Debt Service
				\$5,000,000 Bonds Dated Oct -2023		\$6,275,000 Bonds Dated Oct -24		Total Proposed	
				Principal	Interest	Principal	Interest	Debt Service	
2023	1,581,872			-	-	-	-	-	1,581,872
2024	926,128	(655,744)	1,581,872	-	115,000	-	-	115,000	1,041,128
2025	810,152	(115,976)	1,581,872	250,000	207,188	-	150,000	607,188	1,417,340
2026	-	(810,152)		250,000	196,563	315,000	259,994	1,021,556	1,021,556
2027	-	-		250,000	185,938	315,000	246,606	997,544	997,544
2028	-	-		250,000	175,313	315,000	233,219	973,531	973,531
2029	-	-		250,000	164,688	315,000	219,831	949,519	949,519
2030	-	-		250,000	154,063	315,000	206,444	925,506	925,506
2031	-	-		250,000	143,438	315,000	193,056	901,494	901,494
2032	-	-		250,000	132,813	315,000	179,669	877,481	877,481
2033	-	-		250,000	122,188	315,000	166,281	853,469	853,469
2034	-	-		250,000	111,563	315,000	152,894	829,456	829,456
2035	-	-		250,000	100,938	315,000	139,506	805,444	805,444
2036	-	-		250,000	90,313	315,000	126,119	781,431	781,431
2037	-	-		250,000	79,688	315,000	112,731	757,419	757,419
2038	-	-		250,000	69,063	315,000	99,344	733,406	733,406
2039	-	-		250,000	58,438	315,000	85,956	709,394	709,394
2040	-	-		250,000	47,813	315,000	72,569	685,381	685,381
2041	-	-		250,000	37,188	310,000	59,288	656,475	656,475
2042	-	-		250,000	26,563	310,000	46,113	632,675	632,675
2043	-	-		250,000	15,938	310,000	32,938	608,875	608,875
2044	-	-		250,000	5,313	310,000	19,763	585,075	585,075
2045	-	-		-	-	310,000	6,588	316,588	316,588
2046	-	-		-	-	-	-	-	-
2047	-	-		-	-	-	-	-	-
2048	-	-		-	-	-	-	-	-
	3,318,152			5,000,000	2,240,000	6,275,000	2,808,906	16,323,906	19,642,058

Existing & Proposed Debt Analysis Proposed Bonding of \$11,275,000

Capital Planning



How is State Education funding and Town Wealth Calculated

- The determination of Town Wealth is computed as follows:

$$\text{Income Adjuster} = \frac{\text{PCI}}{\text{HPCI}} + \frac{\text{PCI}}{\text{HMHI}}$$

$$\text{Town Wealth} = \frac{\text{ENGL}}{\text{Need}} + \frac{\text{ENGL}}{\text{POP}} \times \text{Income Adjuster}$$

- ENGL** = Equalized Net Grand List (3-year average) (CT Office of Policy and Management)
PCI = Per Capita Income (U.S. Bureau of the Census)
HPCI = Highest Town PCI
MHI = Median Household Income (U.S. Bureau of the Census)
HMHI = Highest Town MHI
POP = Total Population (U.S. Bureau of the Census)
Need = Need Students (CT Department of Education)

EDUCATIONAL COST SHARING

Education Cost Sharing

- The Education Cost Sharing (ECS) formula is the method the State of Connecticut has established to distribute funds to aid towns with educational costs.
- These funds go directly to towns as an offset to educational costs and are not represented in the Region 15 budget.
- ECS funding for Middlebury and Southbury will increase in next year's state budget by \$822,349 or almost 1% of our overall increase
- These numbers represent the worst case scenario and could be adjusted higher by the legislative session

	FY 2021	FY 2022	FY 2023	FY 2024	Increase
Middlebury	\$ 847,757	\$ 1,026,996	\$ 1,253,060	\$1,451,313	\$ 198,253
Southbury	\$ 3,785,641	\$ 4,290,927	\$ 4,961,814	\$ 5,585,910	\$ 624,096
					\$ 822,349

Region 15 Pension Structure

- Who is in the District managed pension
 - Paraprofessionals
 - Secretaries
 - Custodians
- 241 Current and retired employees are in the pension system.
- Employees hired after 2019 have moved from a defined benefits plan to a defined contribution plan
- Pension Obligation budgeted at \$1,010,000
 - Beginning in 2020 budgeted pension obligation has been increased by \$30,000 per year

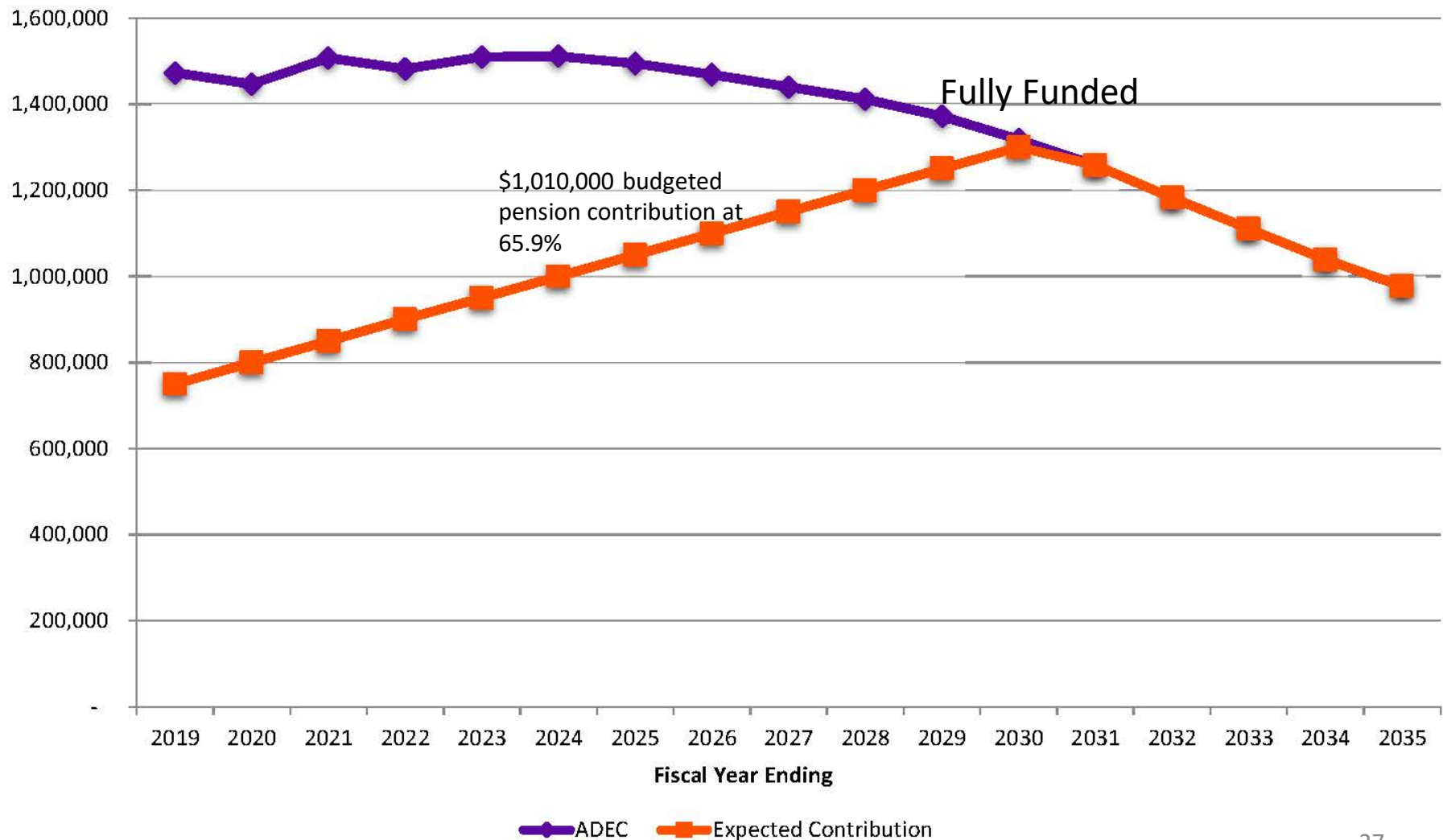
Pension Actuarial Projections

**Regional School District 15
Regional School District No. 15 Retirement Plan
July 1, 2022 Actuarial Valuation**

	<u>July 1, 2021</u>	<u>July 1, 2022 Valuation</u>
	<u>Valuation</u>	<u>Baseline</u>
Mortality:	PubG 2010/MP-2021	PubG 2010/MP-2021
Investment Rate of Return:	6.75%	6.75%
Inflation	2.50%	2.50%
Funded Status		
Actuarial Accrued Liability	27,197,635	28,332,579
Actuarial Value of Assets	<u>17,929,944</u>	<u>18,679,705</u>
Unfunded Actuarial Accrued Liability (UAAL)	9,267,691	9,652,874
Funded Ratio	65.9%	65.9%

Pension Performance

Projection of Expected Contributions



Region 15 Audit Structure

- Internal (Voluntary)
- Auditing Firm Clifton Larson Allen (CLA)
 - Currently under contract for \$24,000
 - Detailed review of controls and transactional audit of students activity accounts
 - Significant amounts of transactions in these accounts
- Procedural (Mandated)
- Auditing Firm Charles Heaven & Co
 - State and Federal Grants
 - Expenditures
 - Bank statements
 - Self insurance fund
 - Pension fund
 - Capital fund

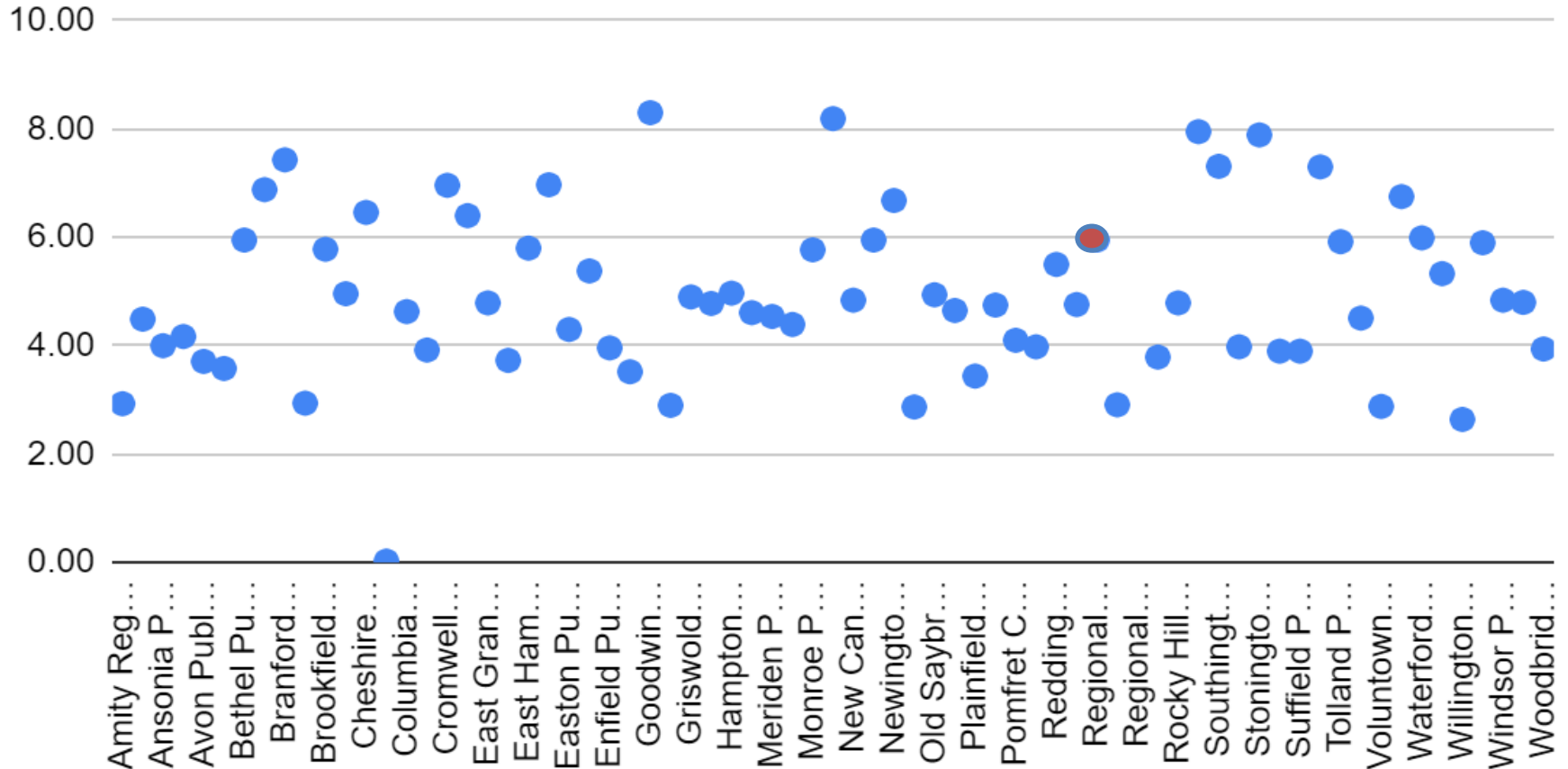
Unfunded Mandates

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- 50 pages of state mandates
 - 125 since 2015 alone
 - Many are well intentioned and, on the surface, do not appear to have a direct cost, however many require staff to implement, time for training, reporting standards and new procedures that need to be developed. All of these require resources to be reallocated or staffing that eventually result in budgetary impacts.

How we respond

- Regional legislative meetings
- Push back on legislation
- Frequent meetings with

Proposed School Budgets across the State



As local context varies, there are many factors that impact local budgetary increases. Contract cycles, staffing needs, insurance plans and claim history, and

Board Approved Budget Increases by Percent:

