

**TRUMBULL BOARD OF FINANCE
BOARD OF EDUCATION
2nd BUDGET HEARING
March 1, 2011**

CALL TO ORDER

Chairman Mark Smith called the Board of Finance meeting to order at 7:00 p.m., at the Town Hall, Trumbull, Connecticut. All those present joined in the Pledge of Allegiance.

Chairman Smith welcomed Mr. Lovely, Mr. Lassogna, the Board of Education, the Board of Finance, and Guests to the second Budget Hearing with the Board of Education. He indicated that the first meeting was an introductory, high-level discussion; whereas, in today's meeting we will get a bit more detailed as we go through each account and get the information we need to get the information we need in order to make the best decisions possible. As I mentioned in the past, there are 6 voting members of the Board of Finance and 3 alternates. We need to take very limited resources and allocate them properly throughout the whole town government. This is not a competition but a process that will affect everybody.

The Chair recognized Deborah Herbst, Chairwoman with the Board of Education.

Deborah Herbst
11 Lynnbrook Rd.

Mrs. Herbst indicated that she wanted the opportunity to explain why she did not appear at several of the BOE meetings. As we are getting into this process the Board of Finance, it was clear to her that they wanted some idea what the impact of certain cuts would mean to the Board of Education and how these would affect services. The demands for answers and information put a lot of pressure on Mr. Lassogna. Mrs. Herbst went on to add that she did not agree with the 5.77% increase proposed by the Board of Education, thinking it was too high. She thought the Board could do better when you took into consideration the 0% increase on the part of the teachers.

I am a 35 year retired former educator and currently teach at both the University of Bridgeport and the University of New Haven. I am an advocate for the children and a fiscal conservative. I do not believe that you need to spend a lot of money to get a good education. Some of my concern in this process is that I have spent many hours over the years looking at line items and reducing line items that I thought would help us reach a manageable budget. Anytime some of these suggestions or motions went to the floor, Mrs. Chory and I were defeated. However, now with a 2.5 million dollar budget cut Mr. Lassogna and the Board are going to have to look at things differently. Mrs. Herbst presented the Boards with a list of suggestions, outlined below:

- Secretarial staff- reduce each elementary school to 1 10 month full time person and 1 part time (19.5) hour person. Would save \$285,960 per year not including benefits
- Math Specialist - Limit them to only helping children, not "teach teachers how to teach the curriculum", and reduce by 3 at a savings of \$155,000
- Outsource the food service
- Custodial - possibly close a building; combine custodial and plant supervisory positions
- TAG program - eliminated last year with ERA funding
- Teacher hiring; hire newer teachers who are less expensive; we have had high hires; grade 5 teacher brought in at \$95,000; goes beyond the shortage areas
- Need to look at Professional development
- Need clarification on benefits; not consistent; teachers \$15,000 in benefits; custodial and secretarial \$7,500

- Develop a plan regarding redeployment; not all schools are the same; should be based on size
- Need to be prepared to close a school if necessary
- Still many areas of concern and she is waiting to hear on those

Mrs. Herbst went on to indicate many people had approached her to speak up. Mrs. Herbst then went on to commend the Board of Finance on the questions they asked.

Chairman Smith indicated he received her list in the mail and wanted to have everyone review the list for 15 minutes or so and then begin the question and answer session. He thanked Mrs. Herbst for providing the list.

Mr. Lovely responded to Mrs. Herbst's comments. A meeting was held Friday during which time this list for the Board of Finance was being worked on. Another meeting was then held Monday where we discussed closing a school. We had also discussed the outsourcing of the food and the custodial issue.

Mr. Iassogna then addressed the Board of Finance regarding the list Mrs. Herbst presented:

Issue: Reconfiguration and/or school closing is in the list

Response: Per specialist hired, reconfiguration is not the way to go; can cost more with regard to transportation. In Trumbull, very hard to reconfigure the middle school; too large; would have to redistrict; too difficult since middle schools are too large; would have to redistrict; middle school rooms have been reconfigured for special uses. School closing would be the way to go - \$500,000 savings. He shared the letter he received outlining this at the Friday meeting.

Issue: Reduction of secretarial staff

Response: 5 secretarial positions currently on the cut list: 1.0 district person; 2 at the elementary level; 2.0 later on in cuts. The last 4 are the elementary secretaries Mrs. Herbst referenced. We do have central registration; we are too large with 400 or more students. We already cut 3 secretaries last year. The recommendation not to cut additional secretaries came from the elementary school principals, not the Board of Ed.

Issue: Reduction of Math specialists

Response: Our Math specialists have direct contact with students and do work with teachers. We attribute the good CMT scores to math specialists.

Issue: Outsource the food service

Response: We looked at outsourcing the food service several times over the years. 2 years ago, we revisited this again. We were told that an outside service could not supply what we provide. The food service does not impact the operating budget, just the pension.

Issue: Merge custodial and outside maintenance services with town. Schools will take on custodial responsibilities and town would take on the outside maintenance services for the schools.

Response: This keeps coming up and we keep addressing it. We were ready to go ahead with this 10 years ago when someone on the town side spoke up and the whole idea was shelved. We stand ready; however, this must be negotiated with the unions.

Issue: TAG

Response: There are no government funds for this. Only Funding Cliff item for (or from) next year.

Issue: Saving funds on insurance

Response: The F/S's priority is to save on insurance; to date it is down to 9.00%, a savings of \$200,000.

Issue: Hiring practice for teachers

Response: We did not hire the cheaper teachers because I felt that it would be more cost effective than bringing someone along. I am instructed to hire the best teachers that come along.

Issue: Benefits Difference: \$15,000 vs. \$7,500

Response: We use that \$15,000 for all full time employees; we use \$7,500 if you are a .5 employee.

Issue: Same number of staff assigned to each school despite the number of students.

Response: We have changed the model of allocating staff members to schools. We no longer assign one of each to each school. We base it on student body size.

The Chairman requested that Mr. lassogna review the list given to the BOF and address the issues. Mr. lassogna said the he made one adjustment on the list from the one he e-mailed based on the recommendation of the BOE –Take all the sports and merge them together rather than breaking it down by level – You will now see that on page 2 - the 4% figures. The motion to bring the 5.38% to the BOF would have been 4.67% if the motion to the BOE was not defeated.

Mr. lassogna went on to indicate the cuts needed to achieve the 4.67% reduction are in the peripheral areas:

Section 1: Professional Development; equipment; supplies; and materials

Section 2: Core programs and people. The TAG is eliminated and \$177,000 is now available. The library and media computers at the elementary school; two elementary interns - one is for substitutes; one is for intervention. This eliminates 6 intervention ones. Middle school basketball and softball eliminated along with rest of the freshman sports and Benefits for such.

Section 3-5: Trumbull High School teachers; intervention specialists at the middle school 2.5; 1.0 district secretary; another custodian. Our staff is the same number it was 8 years ago and we have added the equivalent of 2 Frenchtown schools in square footage. The buildings are not going to be as clean. The benefits - there is a reduction and money saved – \$15,000.

Go to 3%. Once again, you are going into staff. Not mandated, but very important – speech / language; another custodian; secretaries. By cutting 2.6 million dollars, it is going to change the system by a lot; it is going to be a different system. If you cannot afford the Trumbull education system, we are still going to have to educate the 7,000 children.

In the last 3 years, board has never gotten into lowering class size; with support services, we have less intervention problems.

What is the cost effect of one more child in a classroom?

If you increased second grade classes to 25, you could eliminate 4 classrooms. For every 4 classes we eliminate, we can also eliminate 4 paraprofessionals at a great savings. We did cut 5 teachers last week and an elementary specialist for \$350,000 additional savings.

- We are not top heavy in administration.
- We have a lower teacher/administrator ratio than our counterparts.
- We tried to reduce working days to 206 for administrators. This will have a direct and dramatic impact.
- Anytime you make a change you need to negotiate with the union, and incur expense for the negotiation (\$12,000-\$15,000)
- Structure change / grade reconfiguration not realistic to save money. Close school instead.
- The more information you have, the better you are informed.

Ms. Penkoff indicated that her understanding was the configuration was supposed to be K-2 3-5. What did you just give us?

Response: K-4 5-8 because 1st year that was the configuration when the topic came up last years. We also looked at k-2 3-5 6-8 9-12. The consultant did not feel that it would be the best given the numbers he saw.

Ms. Penkoff indicated that her understanding was that the reconfiguration was going to be K-2 3-5 taking 6 elementary schools and splitting them up as a 3 - 3 configuration.

Lisa indicated that she requested a reconfiguration that was not specifically to close a school.

When asked the question when we could expect a reconfiguration that would be cost effective, the consultant indicated that it was usually in conjunction with closing a school.

Ms. Penkoff then asked about the outsourcing of the food service not so much as a means to save money or become revenue neutral but to bring in revenue.

Ms. Penkoff then asked how many vendors the BOE approached recently on this subject.

BOE: Indicated that 7 or 8 years ago outside vendors said they could not duplicate what we already had. This time they only contacted one vendor who also said they could not duplicate what we already have; the BOE does not want to pursue an outside source then or now because they are happy with the current system. If you go outside, there will be negotiations that will not be easy and costly. In addition, the BOE mentioned that you could not use revenue from food service to offset expenses from other areas.

Ms. Penkoff then explained what Mrs. Herbst meant when referring to the job consolidation of the custodial and plant supervisors.

Issue: If you receive more from the Town this year, why can't you do what you did last year?

Response: Not all the funds come from the Town; there are grants and revenues, etc. We are losing close to 2 million dollars, funds we had last year that we are not receiving this year. There is no ERA money and no ECS funding. Insurance expense is going up; energy costs increase each year; FICA; negotiations with bargaining units, not teachers; increases in transportation cost.

Issue: Why not eliminate Channel 17.

Response: Some feel it should stay due to BOE educational shows, yet others feel we should eliminate it since it has the least impact on the children. Two BOE members didn't even think it should be on the list.

Issue: Every year we get requests for additional funds from the previous year. Can you explain where the 2 million is coming from?

Response: Section 3, page 6. Funding sources are drying up with respect to some salaries paid out of ERA funds. If the funding goes away, the salaries are then included in the operating budget or we must eliminate the positions. If you invest in teachers with ERA funds, you are going to have a funding cliff. ERA funds were given to supplement not supplant teachers, which was the decision of the BOE. We could not have hired teachers unless we used the ERA funds in order to run the same programs that we were accustomed to having. There was a concern about a funding cliff at the time. The budget request came in at 1.08% so the need more funds and used the ERA funds. There has to be a new way to get funds into the school system.

Issue: During the lean budget years in the 90's, we did not maintain the labs at the high school because the budget was lean. Is it good to put off repairs and then have to spend more later to replace.

Response: We monitor buildings very carefully and they will always be safe. We just identified +/- \$300,000 for repairs that we need to make. We must address mandates.

Issue: The decisions we make now may cost us more later. Is there a way you can tell us what we are saving now, and what it will cost us later. It is foolish for us to save \$100,000 in the short term and then spend \$400,000 later.

Response: It is very difficult to quantify this. For example, it is difficult to identify who will not make AYP and then we will have to provide tutors and teachers, etc., with extended interventions.

Issue: How many interventions are we dealing with and how much is the cost per child.

Response: In addition to quantifying costs, there are also hidden costs that we cannot quantify, such as the amount of intervention time it takes.

Issue: What does Plant refer to.

Response: Plant operations.

Issue: What is the difference between an advisor and a guidance counselor

Response: A guidance counselor is a full time teacher who works with students with regard to college entrances, etc. An advisor is someone who would assist students transitioning from 8th grade to 9th grade and is not a full time position.

Issue: Each year you ask us to approve more funds and we hear that 80% of the budget increase is for salary increases and benefits. People have not received raises in 2-3 years and their homes are in foreclosure. We all deal with rising costs and paying higher premiums because that is the real world. You need to go back and negotiate with the unions to get them to come down.

Response: If you compare DRG to Town of Trumbull, we rank 11/21 in terms of spending. We spend \$800-\$1,000 per student less than other towns.

Issue: Since 2000, we spent \$805,000,000 on operational expenses for this BOE, an 84% increase and the cost of living was 31% over that same period.

Response: Experience and contracts dictate how salaries are determined. Over the last 10 years, there have been 800 additional students; transportation costs increased 103%; oil and gas has gone up 231%; electricity has gone up 94% and we had to outpace due to DPS mandates 270% of the students since the year 2000. Outpace tuition has gone up 479%; public district transportation has gone up 422%; and special education expenses have gone up 82%.

Issue: What was the teacher salary increase over that period.

Response: 24.5% in the last 4 years.

Issue: The food service is not self-sustaining with respect to the pension plan. Why isn't the BOE putting the funds into the pension for those employees in the plan. The Pension Board does not have the authority to change the contract; only the BOE does.

Response: How much the BOE would have to contribute for these employees has never been determined. Those employees are at the bottom of the pay scale and pension benefits are minimalistic. We have suggested to the Pension Board that we negotiate all Pension information at the same time, not contract by contract.

Issue: Over the last several years, there were substantial overages and underages when compared to the budget number. What kind of transfers are you doing within the budget; are you using funds from one budget account to offset another account.

Response: The transfer committee meets to go over the BOE mandates. When comparing the revised budget to the actual budget, we were surprised at how close the actual and budgeted amounts actually were. When we see that we are over budgeted for a line item, we earmark it for another use, and transfer it internally within the BOE budget to be used for other debts, etc.

Issue: Why is the reserve for negotiation double this year from last year.

Response: More negotiations this year.

Issue: We asked for a signed contract for insurance; the master contract for 2011-2012 not yet finalized; when will it be signed and were there any other bids for insurance.

Response: The 2011-2012 year has not yet started. We reviewed 3 different companies. We prepared our budget using 10% based on Steve's recommendation, which is now 8.9%. The difference is +/- \$200,000. We will probably lock in within 4-5 weeks.

Issue: If the Town and the BOE were under the same umbrella would it be cheaper.

Response: It was noted that it would probably be more expensive.

Issue: Mr. Tesoro indicated that we will be going through an accreditation process soon and wondered how the cuts to the BOE budget will impact the accreditation results in 2013.

Response: Mr. Iassogna indicated that cuts would have an impact on the process.

Mr. Kunschaff discussed the standards for accreditation; standards that have been adopted that require the following:

- Curriculum writing
- Professional Development
- Assessments based on data

He then went on to explain that although we are in the process of doing these things, we do not want stop. For example, one of the standards of learning has to do with 21st Century Learning / 21st Century Skills. These include the following:

- Critical thinking
- Creative thinking
- Innovative problem solving
- Collaboration among students
- Integration of technology
- Communicating more effectively

Although these items are a part of what goes on at THS, to halt or slow down this process could have a negative impact. The middle school curriculum also plays a part in the accreditation process. What do we want them to do to meet the state level standards.

Mr. Iassogna indicated that a reduction in the number of teachers results in the following:

- Increase in class size
- Reduction in the number of class offerings
- Children wind up in study halls

Issue: Mr. Palo asked which courses are currently running at a deficit. Is it true that the Board is working on making them revenue neutral?

Response: Mr. Iassogna explained that courses showing a deficit now include a portion of expenses not previously included, i.e., secretarial fees, advertising costs, etc. He also went on to say the plan is to make the following courses revenue neutral:

- Continuing Education – cutting staff and increasing rates – now includes expenses not previously included – appears that they are running deficits but actually are not
- Pay to Participate – increased to offset expenses – Athletics run at a deficit; not enough coming in from BOE and pay to participate but we are running the same programs; so you run a deficit. You are not going to run revenue neutral with sports and band
- Mandate – Adult Ed – must provide it free or make it available in another community. If we send our residents to a different town, we would have to pay for it
- Strings and band always run at a deficit
- Drivers Ed
- Summer School

Mr. Iassogna went on to say that cumulatively, athletics runs a \$60,000 - \$ 80,000 deficit. This is not due to mismanagement, but due to lack of funds received from the Board or from the pay to play to support the program.

It is important to note that Mr. Sirico indicated that he keeps an eye on all of the programs that are at risk of running a deficit. The one that concerns him most is the Inner District Fund where we are funding 3.5 Special Education teachers. The funding source there relies on our excess cost and the difficult thing for him to do is not only to project the expenses but also to project revenues. In trying to project what we are going to get in for excess costs is tough and it looks like we are getting a lot less money with excess cost.

Issue: Mrs. Hammers indicated that she received the insurance information requested. There were 3 finalists and we went with the highest bid. How did you arrive at that decision?

Response: Mr. Rinaldi indicated that the BOE had concerns that we would not be in contractual compliance with the unions with the other choices. There is a strong preference to go with Anthem among unions.

Issue: If our insurance is down to 8.9%; why are we showing 11%.

Response: We publish the rate and then it change – goes lower / higher – there is always a contingency.

MS. Penkoff indicated she was able to review the ERA and ECS documents sent to her. She understood from what she read that the purpose of the funds was to create jobs. She went on to add that it also appeared as though BOE could have used funds for other purposes. In addition, she stated that the documents warned against creating a funding cliff by using the funds to add to staff.

Issue: Ms. Remson indicated that we rank 11 out of 22 in our DSG, yet we spend the least per pupil. How is it then that the surrounding communities are asking for less in their budget when their cost per pupil is more than our cost per pupil.

Response: Mr. Iassogna indicated that there are different factors within the other districts, i.e. insurance being paid on Town side, etc. Mr. Sirico indicated that the costs from year to year increase between 3.5% and 5%. The biggest driver of this increase in the budget is the ratio of students plus administrators to the number of students, and the cost of the insurance.

Mr. Martin asked if the public would ever reconcile themselves to a 5% figure. Something has to happen. In Connecticut, the mandates keep coming in and the in-school suspension passed. Since 2000 we have seen an increase of 800 students in our system, or a 13% increase, and all of the costs are increasing. An increase of 5% is a standard and the public needs to be sold, i.e., PR work needs to be done.

Issue: Ms. Hammers asked what impact the additions at the high school would have on the operating budgets due to the increases to the utility, custodial costs, etc.

Response: Mr. Iassogna indicated that he did not have that information readily available; however, he would provide her with these. There should be some cost savings due to the system upgrades.

Issue: The Chair asked about the k-8 Magnet school, looking for an explanation regarding the impact on Trumbull schools.

Response: They allocated us 25 spots. I understand that 75 students have applied. We have no idea what affect this will have on the schools in Trumbull.

Issue: The Chair asked for an explanation regarding the Administrative Police Services at THS and Security.

Response: There are currently 5 security guards and the does not include the police office, which is a separate entity.

Issue: The Chair indicated that he was reviewing the summary regarding class size and grouping certain subjects together. What does the BOE think of this?

Response: We have seen the summary. You need to understand the variety of students, and their different tracks, because this now becomes a scheduling issue affected by many different variables.

Issue: Why are we spending this kind of money on police services?

Response: Police contractual rates have increased; therefore, the budget increased.

Issue: How did you come up with 540 teachers for the budget this year?

Response: For 2012 I started with the 534 teachers budgeted in 2010 - 2011 through the board and through funding sources. Then, I added in the 5 that were not in budget and should have been plus another 2, then I added in the 4 from ERA (3.5 and .5) and deducted the 5, to come up with 540 teachers.

Issue: The Chair asked why there is a \$16,000 item in the budget for a Plant security contract.

Response: Service contract due to swipe cards in all the schools especially at the elementary level.

The Chairman adjourned the meeting.

Respectfully submitted

Phyllis Collier
Board of Finance Clerk

