

**FY15-16
Ashford School
Superintendent's
Budget Work Session Presentation**

**A Narrative introduction and primer for the 2015-2016 budget development process
with three budget proposal options for consideration**

**REVISED
for the
Ashford Board of Education Meeting
February 5, 2015**

Dr. James P. Longo, Superintendent of Schools

Superintendent's Budget Presentation

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Introduction to This Presentation

This presentation is designed to assist those who wish to participate in the Ashford School budget process. A new version of this document will be created to reflect decisions made at each Board of Education budget meeting until a final Board of Education budget is voted upon for submission to the Board of Finance on March 5th.

The first section of this document is a budget process primer for those who are new to the creation of an Ashford School budget. (If you have been attending budget meetings, or following the process, you may wish to skip the “Process Narrative,” and move right into the numbers.)

It is our hope that this document contains everything that you will need to feel informed and capable of engaging in our budget development dialogue. If not, and you require any further information, please first look at the Board of Education tab on the Ashford School website (ashfordct.org). If you do not find what you need there, give my office a call (860-429-1927, ext. 365), or send me an email (jplongo@ashfordct.org). I will be sure that you receive whatever information you need to understand and participate in our budget development process.

We look forward to your participation. Your opinions are valuable and will be included in the dialogue that ultimately results in a Board of Education proposal for the fiscal year 2015-2016 Ashford School Budget.

A Narrative Describing THE BUDGET PROCESS

Step One: The Initial Draft of the “Superintendent’s Budget”

This year’s budget is developed through the collation of proposals from the department heads, faculty, and administration of Ashford School as well as the residents of Ashford who participated in the process. This multi-step process has been intricately designed to include every Ashford constituency as well as to support the overall mission and vision of the Ashford Board of Education.

Initially, I ask every administrator and teacher to submit a wish list of budgetary items that they believe would benefit their program and/or students, and formulate a first draft of the budget utilizing those wish list items. I then include in the initial “Superintendent’s Budget Proposal” input of Ashford residents. In order to acquire the public’s opinion, I held three forums to hear the suggestions and concerns from the public on these dates:

- September 29, 2014 - Devoted to general concerns with a focus on staffing
- October 8, 2014 - General concerns and discussion of curriculum
- October 9, 2014 - General concerns and discussion of facility, building and grounds

The public input that resulted from these meetings includes requests for:

- Writing teacher to focus and increase the school’s overall writing scores
- Foreign language teacher to create and provide diversity in foreign language offered to students
- Social Workers to make available for families and students who may need outreach attention
- Library/Media Specialist to fill the vacant position from a staff member’s retirement
- Paraprofessionals to continue to assist students and teachers
- Curriculum changes such as upgrading the writing program, including purchasing literature to replace the outdated writing program materials.
- Technology support such as in-class computers, smart boards, iPads and improved infrastructure
- Support for special programs associated with Science, Technology, Engineering, Arts and Math (STEAM) and the new Robotics program implement in FY13-14
- Increase efficiency with assessments and application of its results

In addition to the public feedback, I met with each individual department head to understand their proposals and collect their justification for their requests. I also encouraged all staff to submit concerns, requests and innovative ideas for the upcoming school year. Each administrator presented their proposed budget for their

respective departments, which includes a listing of priority levels. Proposed budgets were received from the following departments:

- Regular Education to address curriculum and staffing
- Special Education to prepare for anticipated needs
- Technology to adhere to current schedule of upgrades
- Maintenance to schedule necessary projects for safety and security
- General supply and equipment requests
- Curriculum development timelines and requests (including professional development and support materials)

These proposed budgets had many similarities with the items that were proposed during the public sessions, which include staffing, curriculum changes, STEAM program and technology.

Although, we may not be able to accommodate every single item on the proposed budgets from each department, we strive to satisfy the necessities and direct the education program of Ashford School in a continuous innovative direction.

The budget process includes many other components such as staff salaries and benefits which are non-negotiable due to compliance with multiple year collective bargaining agreements, and items such as utilities and fuel, which are subject to market fluctuations. These mediated or market based items contribute to a large percentage of the total budget.

The Role of Grants Funding

The history of educational grants has shown a decline in awarded amounts for several consecutive years. . This is also an important factor to consider during the budget process because many essential grant expenses will be absorbed by the school's budget. If we cannot find budgetary support for those expenses previously supported by grant funds we may not be able to continue to provide the programs or continue staffing the position. It is imperative that we prepare for declines in the our grant funds to include such expenses in the proposed budget so we may prevent a sudden loss of a program or staffing position due to a lack of funding.

With all factors considered, we have itemized and prioritized all suggestions and feedback to what we currently have as the Superintendent's FY15-16 Proposed Budget.

A Three-Year BUDGET HISTORY SUMMARY

Budget Year	Budget Amount	% Change Inc/(Dec)
FY13-14	\$ 7,035,706	(0.74%)
FY14-15	\$ 7,288,036	3.59%
<i>FY15-16 Initial Proposal</i>	<i>\$ 7,609,988</i>	<i>4.42%</i>

1.

INITIAL SUPERINTENDENTS BUDGET PROPOSAL 4.42%

Proposed Budget at 4.42% increase over FY14-15

Source of 4.42% increase

*(**Note that there are other objects that experience an increase that equal decreases in budget**)*

1. 2.88% (\$ 209,892) Total Increase in Salaries for all faculty, staff and administration
2. -0.26% (\$-18,564) Total Decrease in Employer Liability for Insurance and Taxes
3. -0.22% (\$-15,700) Total Decrease in Professional Services as a result of the completion of collective bargaining negotiations in the prior year.
4. 0.29% (\$ 20,908) Total Increase in overall Plant Maintenance
5. 1.55% (\$ 112,998) Total Increase in Equipment which includes Technology Budget of \$90,000
6. 0.21% (\$ 15,035) Total Increase in Textbooks for Curriculum Upgrades in Social Studies & Writing

Ashford School Improvements funded through the 4.42% Budget Proposal

Summary of Expenses included in this budget proposal:

- \$ 54,991 in salary & benefits - Addition of a Writing Coach/Teacher (we expect a certified staff member to return from leave. If the coach/teacher is not approved; it will result in the lay off of one teacher with and likely result in unemployment expenses.)
- \$ 2,584 Contractual stipend for a Track & Field Coach and an Assistant Coach for Basketball
- \$ 28,747 in salary & benefits - One Special Education paraprofessional (based on identified student need)
- \$ 6,000 Funding for After School Clubs/Activities & After School Director
- \$ 36,010 Two part-time custodians, (added this year but not budget for)
- \$ 126,127 Accommodate salary/rate increases per AEA and MEUI collective bargaining agreements
 - AEA has a 4% average salary increase per teacher totaling \$ 97,336
 - MEUI and non-union has a 3% average rate increase per hourly personnel totaling \$28,791
- \$67,409 Medical/Dental Insurance anticipated premium increase of 7.7%, provided by Ovation Benefit Advisors. However, due to changeover to High Deductible Health Plan/H.S.A by the remaining staff, the proposed budget amount has decreased by \$104,902 from FY14-15
- \$ 32,000 Employer contributions for H.S.A (dependent on results of negotiations for MEUI)
- \$ 8,648 without TRB Subsidy - Retirement cost for one additional teacher's healthcare (a contract item)
- \$ 16,000 Building Maintenance increases including, but not limited to, HVAC, painting, grounds and boiler maintenance.
- \$ 6,000 Water, trash removal, and general maintenance increases.
- \$ 6,000 Tile and grout restoration, beginning in the primary wing of the school
- \$ 11,409 Liability insurance, through CIRMA, rate increase 3% (capped)
- \$ 19,000 Curriculum Upgrades for elementary & middle school textbooks - Social Studies & Writing Materials
- \$ 16,000 Upgrade Elementary School furniture
- \$ 6,400 MIDI Keyboard Recording Lab
- \$ 5,000 Replacement of all Gym Mats, and upgrade sports safety equipment
- \$90,000 for technology equipment and maintenance

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Ashford Board of Education
 Superintendent's Proposed Budget
 4.42% Budget Increase for FY15-16
 Option 1

Account							
Account Number	Account Description	Original Budget FY12-13	Original Budget FY13-14	Original Budget FY14-15	Superintendent's Proposed Budget FY15-16	FY14-15 v. FY15-16 Budget \$ Inc/Dec	% of Budget Increase
General Fund (01)							
111	Certified Staff	2,898,344.00	2,893,253.00	2,939,556.60	3,008,857.00	69,300.40	0.95%
112	Non-Certified Staff	1,383,846.00	1,370,477.00	1,392,724.78	1,533,316.27	140,591.49	1.93%
200	Insurance	1,099,111.00	1,069,736.00	1,209,190.57	1,110,829.29	(98,361.28)	-1.35%
205	Other Insurances	269,592.00	284,575.00	332,631.28	412,428.41	79,797.13	1.09%
312	Instructional Improvement	27,350.00	50,750.00	36,750.00	37,750.00	1,000.00	0.01%
319	Professional Services	240,700.00	279,100.00	256,100.00	240,400.00	(15,700.00)	-0.22%
321	Utilities	85,000.00	85,000.00	78,000.00	72,000.00	(6,000.00)	-0.08%
322	Maintenance	77,150.00	98,450.00	91,760.00	112,668.00	20,908.00	0.29%
323	Equipment Maintenance	4,450.00	4,450.00	3,600.00	3,600.00	0.00	
324	Liability Insurance	44,103.00	34,805.00	35,390.00	46,798.91	11,408.91	0.16%
331	Transportation	77,010.00	97,420.00	69,907.90	60,271.25	(9,636.65)	-0.13%
340	Communication	13,850.00	11,200.00	11,500.00	12,000.00	500.00	0.01%
370	Outside Services	355,980.00	272,100.00	350,700.00	358,500.00	7,800.00	0.11%
390	Purchased Services	75,500.00	50,172.00	50,672.00	51,172.00	500.00	0.01%
410	Supplies	116,788.00	133,213.00	133,984.00	153,237.00	19,253.00	0.26%
411	Fuel	107,693.00	109,798.00	106,651.00	105,000.00	(1,651.00)	-0.02%
412	Fuel	106,346.00	67,770.00	53,500.00	50,500.00	(3,000.00)	-0.04%
420	Textbooks	10,409.00	16,116.00	11,965.00	27,000.00	15,035.00	0.21%
430	Library Books	4,567.00	3,566.00	3,566.00	3,400.00	(166.00)	0.00%
540	Equipment	77,410.00	79,528.00	66,263.00	179,261.00	112,998.00	1.55%
640	Dues & Fees	13,050.00	24,225.00	22,624.00	30,499.00	7,875.00	0.11%
700	Audit Adjustments	0.00	2.00	30,999.75	500.00	(30,499.75)	-0.42%
General Fund (01) Totals		7,088,249.00	7,035,706.00	7,288,035.88	7,609,988.13	321,952.25	4.42%

OTHER BUDGET OPTIONS

Budget Year	Budget Amount	% Change Inc/(Dec)
FY13-14	\$ 7,035,706	(0.74%)
FY14-15	\$ 7,288,036	3.59%
<i>FY15-16</i>	<i>\$ 7,512,212</i>	<i>3.08%</i>

2.

Option #2 - Proposed Budget at 3.08% increase over FY14-15

Source of 3.08% increase

*(**Note that there are other objects that experience an increase that equal decreases in budget**)*

1. 2.49% (\$ 181,392) Total Increase in Salaries for all faculty, staff and administration
2. -0.26% (\$-18,890) Total Decrease in Employer Liability for Insurance and Taxes
3. -0.22% (\$-15,700) Total Decrease in Professional Services as a result of the completion of collective bargaining negotiations in the prior year.
4. 0.29% (\$ 20,908) Total Increase in overall Plant Maintenance
5. 0.80% (\$ 58,048) Total Increase in Equipment which includes Technology Budget of \$46,800

Ashford School Improvements Funded Through the 3.08% Budget Increase

Summary of Expenses included in this budget proposal:

- \$ 54,991 in salary & benefits - One Writing Coach/Teacher
- \$ 2,584 Contractual stipend for a Track & Field Coach and an Assistant Coach for Basketball
- \$ 28,747 One Special Education paraprofessional (based on identified student need)
- \$ 36,010 Two part-time custodians
- \$ 91,521 Accommodate salary/rate increases per AEA and MEUI collective bargaining agreements
 - AEA has a 4% average salary increase per teacher, totaling \$ 62,730
 - MEUI has a 3% average rate increase per hourly personnel, totaling \$28,791
- \$67,409 Medical/Dental Insurance anticipated premium increase of 7.7%, provided by Ovation Benefit Advisors. However, due to the mass changeover to High Deductible Health Plan/H.S.A by the remaining staff, the proposed budget amount has decreased by \$104,902 from FY14-15
- \$ 32,000 Employer contributions for H.S.A (dependent on results of negotiations for MEUI)
- \$ 8,648 without TRB Subsidy - Retirement cost for one additional teacher's healthcare (a contract item)
- \$ 16,000 Building Maintenance increases including, but not limited to, HVAC, painting, grounds and boiler maintenance.
- \$ 6,000 Water, trash removal, and general maintenance increases.
- \$ 6,000 Tile and grout restoration, beginning in the primary wing of the school
- \$ 11,409 Liability insurance, through CIRMA, rate increase 3%
- \$ 19,000 Curriculum Upgrades for elementary & middle school textbooks - Social Studies & Writing Materials
- \$ 6,400 MIDI Keyboard Recording Lab
- \$ 5,000 Replacement of all Gym Mats, and upgrade sports safety equipment

Reductions or Changes from the 4.42% Proposal

- \$ 46,800 for technology equipment and maintenance
- **\$ 6,000 Removed After School Clubs & Director funding
- **\$16,000 Removed Upgrades to Elementary School furniture
- **\$28,500 Reduction in Certified Salary, contingent on anticipated staffing changes

Ashford Board of Education
 Superintendent's Proposed Budget
 3.08% Budget Increase for FY15-16
 Option 2

Account							
Account Number	Account Description	Original Budget FY12-13	Original Budget FY13-14	Original Budget FY14-15	Superintendent's Proposed Budget FY15-16	FY14-15 v. FY15-16 Budget \$ Inc/Dec	% of Budget Increase
General Fund (01)							
111	Certified Staff	2,898,344.00	2,893,253.00	2,939,556.60	2,986,357.00	46,800.40	0.64%
112	Non-Certified Staff	1,383,846.00	1,370,477.00	1,392,724.78	1,527,316.27	134,591.49	1.85%
200	Insurance	1,099,111.00	1,069,736.00	1,209,190.57	1,110,829.29	(98,361.28)	-1.35%
205	Other Insurances	269,592.00	284,575.00	332,631.28	412,102.16	79,470.88	1.09%
312	Instructional Improvement	27,350.00	50,750.00	36,750.00	37,750.00	1,000.00	0.01%
319	Professional Services	240,700.00	279,100.00	256,100.00	240,400.00	(15,700.00)	-0.22%
321	Utilities	85,000.00	85,000.00	78,000.00	72,000.00	(6,000.00)	-0.08%
322	Maintenance	77,150.00	98,450.00	91,760.00	112,668.00	20,908.00	0.29%
323	Equipment Maintenance	4,450.00	4,450.00	3,600.00	3,600.00	0.00	
324	Liability Insurance	44,103.00	34,805.00	35,390.00	46,798.91	11,408.91	0.16%
331	Transportation	77,010.00	97,420.00	69,907.90	60,271.25	(9,636.65)	-0.13%
340	Communication	13,850.00	11,200.00	11,500.00	12,000.00	500.00	0.01%
370	Outside Services	355,980.00	272,100.00	350,700.00	358,500.00	7,800.00	0.11%
390	Purchased Services	75,500.00	50,172.00	50,672.00	51,172.00	500.00	0.01%
410	Supplies	116,788.00	133,213.00	133,984.00	153,237.00	19,253.00	0.26%
411	Fuel	107,693.00	109,798.00	106,651.00	105,000.00	(1,651.00)	-0.02%
412	Fuel	106,346.00	67,770.00	53,500.00	50,500.00	(3,000.00)	-0.04%
420	Textbooks	10,409.00	16,116.00	11,965.00	17,000.00	5,035.00	0.07%
430	Library Books	4,567.00	3,566.00	3,566.00	3,400.00	(166.00)	0.00%
540	Equipment	77,410.00	79,528.00	66,263.00	124,311.00	58,048.00	0.80%
640	Dues & Fees	13,050.00	24,225.00	22,624.00	26,499.00	3,875.00	0.05%
700	Audit Adjustments	0.00	2.00	30,999.75	500.00	(30,499.75)	-0.42%
General Fund (01) Totals		7,088,249.00	7,035,706.00	7,288,035.88	7,512,211.88	224,176.00	3.08%

OTHER BUDGET PROPOSED OPTIONS

Budget Year	Budget Amount	% Change Inc/(Dec)
FY13-14	\$ 7,035,706	(0.74%)
FY14-15	\$ 7,288,036	3.59%
<i>FY15-16</i>	<i>\$ 7,457,367</i>	<i>2.32%</i>

3.

Option #3 - Proposed Budget at 2.32% increase over FY14-15

Source of 2.32% increase

*(**Note that there are other objects that experience an increase that equal decreases in budget**)*

1. 1.87% (\$ 135,999) Total Increase in Salaries for all faculty, staff and administration
2. -0.23% (\$-16,843) Total Increase in Employer Liability for Insurance and Taxes
3. -0.22% (\$-15,700) Total Decrease in Professional Services as a result of the completion of collective bargaining negotiations in the prior year.
4. 0.29% (\$ 20,908) Total Increase in overall Plant Maintenance
5. 0.64% (\$ 46,548) Total Increase in Equipment which includes Technology Budget of \$35,300

Ashford School Improvements Funded Through the 2.32% Budget Increase

Summary of Expenses included in this budget proposal:

- \$ 2,584 Contractual stipend for a Track & Field Coach and an Assistant Coach for Basketball
- \$ 28,747 One Special Education paraprofessional (based on needs)
- \$ 36,010 Two part-time custodians
- \$ 91,521 Accommodate salary/rate increases per AEA and MEUI collective bargaining agreements
 - AEA has a 4% average salary increase per teacher, totaling \$ 62,730
 - MEUI has a 3% average rate increase per hourly personnel, totaling \$28,791
- \$67,409 Medical/Dental Insurance anticipated premium increase of 7.7%, provided by Ovation Benefit Advisors. However, due to the mass changeover to High Deductible Health Plan/H.S.A by the remaining staff, the proposed budget amount has decreased by \$104,902 from FY14-15
- \$ 32,000 Employer contributions for H.S.A (dependent on results of negotiations for MEUI)
- \$ 8,648 without TRB Subsidy - Retirement cost for one additional teacher's healthcare (a contract item)
- \$ 16,000 Building Maintenance increases including, but not limited to, HVAC, painting, grounds and boiler maintenance.
- \$ 6,000 Water, trash removal, and general maintenance increases.
- \$ 6,000 Tile and grout restoration, beginning in the primary wing of the school
- \$ 11,409 Liability insurance, through CIRMA, rate increase 3%
- \$ 6,400 MIDI Keyboard Recording Lab
- \$ 5,000 Replacement of all Gym Mats, and upgrade sports safety equipment

Reductions or Changes from the 4.42% Proposal

- \$ 35,300 for technology equipment and maintenance
- **\$ 54,991 Removed Writing Coach/Teacher salary & benefits
- **\$ 19,000 Removed Curriculum Upgrades for Social Studies & Writing Materials
- **\$ 6,000 Removed After School Clubs & Director funding
- **\$16,000 Removed Upgrades to Elementary School furniture
- **\$28,500 Reduction in Certified Salary, contingent on anticipated staffing changes

Ashford Board of Education
 Superintendent's Proposed Budget
 2.32% Budget Increase for FY15-16
 Option 3

Account							
Account Number	Account Description	Original Budget FY12-13	Original Budget FY13-14	Original Budget FY14-15	Superintendent's Proposed Budget FY15-16	FY14-15 v. FY15-16 Budget \$ Inc/Dec	% of Budget Increase
General Fund (01)							
111	Certified Staff	2,898,344.00	2,893,253.00	2,939,556.60	2,940,965.00	1,408.40	0.02%
112	Non-Certified Staff	1,383,846.00	1,370,477.00	1,392,724.78	1,527,316.27	134,591.49	1.85%
200	Insurance	1,099,111.00	1,069,736.00	1,209,190.57	1,103,174.82	(106,015.75)	-1.45%
205	Other Insurances	269,592.00	284,575.00	332,631.28	421,803.98	89,172.70	1.22%
312	Instructional Improvement	27,350.00	50,750.00	36,750.00	37,750.00	1,000.00	0.01%
319	Professional Services	240,700.00	279,100.00	256,100.00	240,400.00	(15,700.00)	-0.22%
321	Utilities	85,000.00	85,000.00	78,000.00	72,000.00	(6,000.00)	-0.08%
322	Maintenance	77,150.00	98,450.00	91,760.00	112,668.00	20,908.00	0.29%
323	Equipment Maintenance	4,450.00	4,450.00	3,600.00	3,600.00	0.00	
324	Liability Insurance	44,103.00	34,805.00	35,390.00	46,798.91	11,408.91	0.16%
331	Transportation	77,010.00	97,420.00	69,907.90	60,271.25	(9,636.65)	-0.13%
340	Communication	13,850.00	11,200.00	11,500.00	12,000.00	500.00	0.01%
370	Outside Services	355,980.00	272,100.00	350,700.00	358,500.00	7,800.00	0.11%
390	Purchased Services	75,500.00	50,172.00	50,672.00	51,172.00	500.00	0.01%
410	Supplies	116,788.00	133,213.00	133,984.00	153,237.00	19,253.00	0.26%
411	Fuel	107,693.00	109,798.00	106,651.00	105,000.00	(1,651.00)	-0.02%
412	Fuel	106,346.00	67,770.00	53,500.00	50,500.00	(3,000.00)	-0.04%
420	Textbooks	10,409.00	16,116.00	11,965.00	17,000.00	5,035.00	0.07%
430	Library Books	4,567.00	3,566.00	3,566.00	3,400.00	(166.00)	0.00%
540	Equipment	77,410.00	79,528.00	66,263.00	112,811.00	46,548.00	0.64%
640	Dues & Fees	13,050.00	24,225.00	22,624.00	26,499.00	3,875.00	0.05%
700	Audit Adjustments	0.00	2.00	30,999.75	500.00	(30,499.75)	-0.42%
General Fund (01) Totals		7,088,249.00	7,035,706.00	7,288,035.88	7,457,367.23	169,331.35	2.32%

4.
How Various Staffing Proposals Would Impact Budget Totals

a.) Add Writing Teacher

Total Cost (Salary, Benefits & Employer Liability) **\$ 54,991 = 0.78% of Proposed Budget**

b.) Add Foreign Language:

- 01-1104-111-00004 World Language Cert Staff \$72,079 (salary step MA-13)
- 01-2200-205-01220 Social Security/Medicare Costs \$ 1,045.15
- 01-2200-200-01230 Group Life Insurance \$ 131.04
- 01-2200-200-02220 Workers Compensation Insurance \$ 458.82
- 01-2200-200-01220 Medical/Dental Insurance \$22,178.90 (HDHP - Family Coverage)
- 01-2200-205-04230 Certified Other Benefits \$ 2,000 (Employer H.S.A Contribution)

Total Cost (Salary, Benefits & Employer Liability) **\$97,892.91 = 1.39% Increase**

*** NOT INCLUDED IN THESE BUDGET PROPOSALS**

c.) Add Social Worker:

- 01-1200-111-03120 Psychologist Certified Staff \$75,267 (salary step 6th-13)
- 01-2200-205-01220 Social Security/Medicare Costs \$ 1,091.37
- 01-2200-200-01230 Group Life Insurance \$ 131.04
- 01-2200-200-02220 Workers Compensation Insurance \$ 474.18
- 01-2200-200-01220 Medical/Dental Insurance \$22,178.90 (HDHP - Family Coverage)
- 01-2200-205-04230 Certified Other Benefits \$ 2,000 (Employer H.S.A Contribution)

Total Cost (Salary, Benefits & Employer Liability) **\$101,142.49 = 1.44% Increase**

*** NOT INCLUDED IN THESE BUDGET PROPOSALS**

d.) Add Library/Media Specialist:

• 01-1107-112-02007 Library Consultant	\$40,000 (Administrative Position)
• 01-2200-205-01220 Social Security/Medicare Costs	\$ 3,060
• 01-2200-200-01230 Group Life Insurance	\$ 66.24
• 01-2200-200-02220 Workers Compensation Insurance	\$ 252
• 01-2200-200-01220 Medical/Dental Insurance	\$24,218.34 (HDHP - Family Coverage)
• <u>01-2200-205-04230 Certified Other Benefits</u>	<u>\$2,000 (Employer H.S.A Contribution)</u>
Total Cost (Salary, Benefits & Employer Liability)	\$ 69,596.58 = 0.99% Increase

*** NOT INCLUDED IN THESE BUDGET PROPOSALS**

e.) Add 0.5FTE Art Teacher:

• 01-1103-111-01003 Art Certified Staff (MA-5 salary/step)	\$25,101
• 01-2200-205-01220 Social Security/Medicare Costs	\$ 364
• 01-2200-200-01230 Group Life Insurance	\$ 131.04
• 01-2200-200-02220 Workers Compensation Insurance	\$ 158.14
• 01-2200-200-01220 Medical/Dental Insurance	\$24,218.34 (HDHP - Family Coverage)
• <u>01-2200-205-04230 Certified Other Benefits</u>	<u>\$2,000 (Employer H.S.A Contribution)</u>
Total Cost (Salary, Benefits & Employer Liability)	\$ 51,972.52 = 0.74% Increase

*** NOT INCLUDED IN THESE BUDGET PROPOSALS**

f.) Remove one paraprofessional:

Total Cost (Salary, Benefits & Employer Liability) **\$ 28,747 = 0.41% of Proposed Budget**

Medical/Dental Insurance Costs

Trending Analysis

	Original Budget	Actual Expense	Actual v. Budget Difference in Dollars (\$)	Difference Percentage
FY11-12	\$ 942,873	\$ 924,403	\$18,470 less than budget	1.96%
FY12-13	\$ 1,023,501	\$ 959,622	\$63,879 less than budget	6.24%
FY13-14	\$ 990,293	\$ 1,029,293	\$39,000 more than budget	-3.93%
FY14-15	\$ 1,134,016	\$ 1,018,128	\$115,888 less than budget	10.22%

Budgeted Amount is based on current participants in FY14-15

- *AEA employee cost share for FY14-15 is 12% of annual premium; for FY15-16 is 13% of annual premium (per AEA collective bargaining agreement)*
- *MEUI employee cost share for FY14-15 is -*
 - *Employees hired prior to July 1, 1998: 9% of annual premium for self coverage and 30% for dependent coverage*
 - *Employees hired after July 1, 1998: 14% of annual premium for self coverage and 30% for dependent coverage*
- *MEUI employee cost share for FY15-16 - **Subject to Change Pending Negotiation Results***
 - *Employees hired prior to July 1, 1998: 9% of annual premium for self coverage and 30% for dependent coverage*
 - *Employees hired after July 1, 1998: 14% of annual premium for self coverage and 30% for dependent coverage*

****Medical/Dental Insurance Monthly Premium Comparison with 7.7% Renewal Rate for Connecticare as of 2/3/2015****

Initially, a 12.5% rate increase was used as an estimate based on market rates, current experience ratings, and anticipated administrative fees in accordance to the Affordable Care Act. It is provided around November 2014 by Ovation Benefits, our benefits advisors mutually shared with the Town of Ashford.

	FY14-15 PPO	FY15-16 PPO	FY14-15 HMO	FY15-16 HMO	FY14-15 H.D.H.P/H.S.A	FY15-16 H.D.H.P/H.S.A	FY14-15 Dental	FY15-16 Dental
Single	\$ 806.22	\$ 868.30	\$ 768.65	\$ 827.84	\$ 628.34	\$ 676.72	\$ 40.66	\$ 43.91
EE + 1	\$ 1,846.24	\$ 1,988.40	\$ 1,760.19	\$ 1,895.72	\$ 1,438.90	\$ 1,549.70	\$ 81.76	\$ 88.30
Family	\$ 2,257.42	\$ 2,431.24	\$ 2,152.13	\$ 2,317.85	\$ 1,759.36	\$ 1,894.83	\$ 134.39	\$ 145.14

Note: Beginning July 1, 2015, the only medical insurance option offered will be the High Deductible Health Plan (H.D.H.P) with the employees' Health Savings Account (H.S.A)

Per Collective Bargaining Agreement, MEUI members must inform the Ashford Business Office, on an annual basis, of their Intent to Participate in HealthCare coverage through Ashford School. If at any time, there is a mass change in the insurance plans offered, the district does its' due diligence by administering a survey of all staff of their intent to participate. This ensures that we are properly prepared in anticipating district health costs. In preparation of FY14-15 BOE Budget, members of the AEA and MEUI unions were required to participate in a survey of their intentions for participation in healthcare. This was the method used to determine the medical/dental insurance line.

Differences between what is budgeted and actual costs developed throughout the fiscal year are due to life status changes that staff members may experience; such as marriage, divorce, birth of a child or loss of insurance. Although a marriage or the birth of a child may be anticipated, a divorce and/or loss of insurance may not be. With this in mind, it is fiscally responsible for the budget to have enough funding for these unanticipated expenses. While, the public may only see the difference between the budgeted amount and actual expense as excess; the figures may be best understood when explained in this manner:

- In FY11-12, the \$18,470 difference from budget versus actual reflects a cost-savings determined from an employee's dependent turning 26. As a result, the employee's coverage changed from family coverage to 'employee plus one' coverage. Such fluctuation may be caused by one (1) employee's life status change.
- In FY12-13, the \$63,879 difference from budget versus actual reflects a cost-savings equal to three (3) family coverage that was eliminated or changed in accordance to an employee's employment status or life status change. The annual premium for PPO family coverage is \$24,604. Such fluctuation may be caused by three (3) employee's life status change.

- In FY13-14, the \$39,000 over-expenditure reflects costs equal to one (1) single coverage and one (1) family coverage, which were unanticipated due to loss of coverage. The annual premium for PPO single coverage is \$9,223 and the annual premium for PPO is \$26,081. Such fluctuation may be caused by two (2) employee's life status change.
- In FY14-15, the \$115,888 difference from budget versus actual reflects a cost-savings equal to two (2) PPO family coverage, one (1) PPO single coverage and two (2) H.D.H.P/H.S.A family coverage. PPO family coverage is \$28,702, PPO single coverage is \$10,163 and H.S.A family coverage is \$22,725. Such fluctuations may be caused by five (5) employee's life status change. Although a survey was conducted in anticipation of the mass change of plan types offered during budget preparation, other factors occurred after the budget was passed such as retirements and new hires selecting lower coverage. The actual costs encumbered for the year appear to be in favor of the district, however, unanticipated changes can still occur due to employees' insurance needs and eligibility.
- In FY15-16, the proposed budget amount is based on current participants, anticipated insurance changes as reported by current staff, and the anticipation of the mass changeover of medical plan offered. It also accounts for the employee cost share dependent on the language of each collective bargaining agreement. It has been presented and argued that perhaps it would be more effective to take the anticipated actual cost in the current year and apply the rate increase to budget for the upcoming year. If we were to apply the numbers in this fashion, the medical/dental insurance proposed budget would have an increase of \$67,409 as opposed to the reduction of \$104,902 which is based on all the many components that factor into this expenditure line.

It is the responsibility of the Superintendent and the Business Office to budget for known or anticipated expenses, such as those that are brought forth by current employees and through other measures performed with due diligence, during budget preparation. This responsibility is met through the use of industry standards and recommended procedures.

NEXT STEPS

The previous pages have described the budget process to date. I have submitted my first draft of the budget, subjected in to public dialogue, and I am now putting it before the Board of Education with several options for determining the next form that this draft will take.

This budget was publicized with all of the proposed options at the December 18, 2014 BOE meeting and was discussed in detail during the January 8th BOE Budget Work Session. All of these sessions have opportunities for public input.

This revised budget presentation includes suggestions from the Board of Education's January 8th Work Session, such as the expansion of the Writing Teacher position to Writing Coach/Teacher position.

I will continue to add to this document as the process continues.

The Board of Finance

The Board of Education will discuss and act upon the proposals on the previous pages and develop a Board of Education budget that will be submitted to the Board of Finance for discussion and public input on March 5th.

Questions and Concerns

If you have any questions or concerns you have several paths to answers.

- You may go to our web site
- You can attend a Board of Education Meeting (1st and 3rd Thursday of every month)
- You can call my office 860-429-1927, ext. 365
- You can come in for a meeting

IN CONCLUSION

As we prepare our budget for FY 15-16, we have invited the community to participate at every step of the process. We have noticed BOE budget meetings via written and electronic communications, and on the Ashford School website. As a result of the transparency of the budget process and its inclusive approach, we were successful in acquiring perspectives and ideas from many residents, representing a wide variety of points of view.

There are still meetings yet to be held where the budget will continue to be discussed. The Board of Education is still open to suggestions, and willing to consider ideas from the community until such time the Board adopts a budget to bring forward to the Town. Please feel free to contact us and/or join us at our meetings.

We believe that this transparent and all-inclusive process will ultimately result in a budget that is widely supported and understood.

Thank you for your involvement. Together, we can ensure that the students of Ashford are well served.