

Essex BOE 2020-21 Budget FAQ

**(from questions asked at Essex Budget Workshops
held for the development of the 2020-21 Essex Elementary Budget)**

On January 21st; February 12th; and February 25th 2020 the Essex Board of Education held Budget Workshops to develop their proposed 2020-21 budget for Essex Elementary School. During those workshops the administrative staff committed to answering all questions posed by board and community members; and committed to providing the answers in one FAQ document accessible by the public. In keeping with the commitment of the Board and the current administrative team to provide effective communication and transparency, this FAQ is being made available on the website.

1.) Q: Are there any new special education expenditures?

A: Yes, there are a number of changes to anticipated special education expenditures that result in line increases and decreases.

Line 5330 Other Professional Services reduced by \$14,200 and \$7,000 (Testing & Therapy) based on student need.

Line 5430 Repairs and Maintenance increased by \$3,750

Line 5511 Out of District Transportation increased by \$41,839 to \$106,839 based on student need/placement.

Line 5561 Out of District Tuition increased by \$27,353 to \$208,553 based on student need/placement.

Line 5730 Property/Equipment increased by \$2,330 to purchase assistive technology equipment to support students.

2.) Q: Are we funding capital appropriately? What is the EES facility wishlist/needs list?

A: Capital Reserve Requests for 2020-2021:

Capital Reserve Fund Requests

1. Replace 3' backflow on domestic water line \$5,095
2. Replace outside water fountain by primary playscape \$1,470
3. Replace Grade 3 Furniture \$16,500
4. Continue to upgrade security cameras \$5,000
5. Repair Driveway (bus loop- repair asphalt, crack, seal and sealant) \$17,500
6. Replace playground walkway/blacktop area near K wing \$12,300
7. Hitch Spreader and Sander \$4,017
8. Replace front walkway \$30,000

3.) Q: Health Insurance: Should this be a Supervision function and not Region 4?

A: The health insurance has been in the Region 4 budget for many years. We anticipate discussing the best and most appropriate placement for this fund during the 2021-2022 budget development process.

4.) Q: What is Prowda's methodology for determining incoming kindergarten class?

A: Prowda describes his methodology below in his Fall 2020 Essex report entitled "Essex Elementary School Enrollment Projected to 2029"

"This report is a ten-year projection of enrollment for the Essex Elementary School. It is based on residents and non-residents attending the school in October of the school year. The projection focuses on enrollment in Grades K-6, but also provides enrollment of Essex residents in Regional School District 4. The report includes 50 years of enrollment to place the projection into a wider historical perspective. One of the primary drivers of future enrollment is births to residents. The report examines births and their relationship to kindergarten enrollment. Several factors that influence school enrollment - town population, women of child-bearing age, the labor force, housing, non-public enrollment and migration - are presented."

"In the standard model, kindergarten enrollment is compared to births five years prior and some average of the observed growth or decline is used to project future kindergarten enrollment. My method breaks kindergarten enrollment into three parts: five-year olds; six-year olds entering kindergarten for the first time; and six-year old repeaters. Each component is analyzed separately and then combined to get total projected kindergarten. I used the three-year average of these components in this report. Kindergarten enrollment

is very difficult to predict. I feel that this component model can improve the predictability slightly.

To extend the projection beyond four years, I need to estimate births. The State Department of Public Health recorded 29 births in 2016. That is the last official count. Their provisional counts of births in 2017 and 2018 are 24 and 36, respectively. In 2019 there were 25 in-state births through June to Essex residents. Over the past three years, births in that period averaged 15. I added to the in-state births through June of 2019 the expected number of births in July to December based on the ratio of births in July to December compared to January to June births over the past five years. Adding no out-of-state births, I expect 52 births to Essex residents in 2019. I used from the Connecticut State Data Center's 2017 projections of Essex women of child-bearing ages in 2015, 2020 and 2025 along with my estimate of the 2015 and 2017 fertility rate for similar towns (DRG C) to estimate births in 2015, 2020 and 2025. I calculated annual growth rates for 2015 to 2020 and 2020 to 2025 and applied them to the moving three year averages of births starting in 2017 and 2019 to estimate births through 2023."

Questions Regarding Specific Budget Categories

100s (salaries)

5.) Q: Allocation for food service positions-how was it determined? How do we allocate to the individual buildings (director and bookkeeper)?

A: The allocation for the Food Service Director and book keeper was a four (4) way split by site: Chester, Deep River, Essex, and Region 4 (John Wintrop and Valley Regional) Cafeterias.

6.) Q: Can we put the cafeteria administration into Supervision next budget cycle?

A: We will discuss this at the start of the next budget season.

7.) Q: 5120 Network Technicians: was this moved to Supervision?

A: Yes. It was moved into Supervision with the current 2019-20 Budget.

8.) Q: Why is there an increase in the substitute custodian line?

A: This increase is based on actual need.

200s (employee benefits)

9.) Q: Is the health insurance appropriation high enough?

A: The budget amount for medical benefits was established by a professional actuary and our insurance broker. The additional appropriation of \$240,000 was developed based on conversations with area Selectpersons to build a reserve of \$1,000,000 over a multi-year period.

10.) Q: What happens if we pay the IBNR (Incurred But Not Reported) claims and the claims start to increase for the remainder of the year?

A: The Medical Reserve Fund is a contracted responsibility of all the communities and any shortfalls will need to be addressed. The administration is tracking the claims closely and the status of the account is shown on the district web site. It is important to maintain an appropriate reserve in the insurance fund for this reason.

11.) Q: If our health insurance reserve becomes insolvent, what happens? Who bails us out?

A: The account is being watched closely, but should it become insolvent, it will be the contracted responsibility of the communities to address the insolvency.

12.) Q: How are claims looking? Compared month to month from last year?

A: Unfortunately, claims don't follow a trend from year-to-year. So far this year, we have a high claim month of \$800,600 and a low claim month of \$528,000, with an average of \$655,000/month in claims through March 20th. At present we are \$667,000 in revenue ahead of claims with three months to go. We also have no idea the effect of the Covid-19 will have on claims.

13.) Q: 4% increase worker's comp? Where did the increase come from?

A: While some of the Worker's Comp expense is based on claims, the 4% is a general increase in cost.

300s (professional and technical services)

No questions asked

400s (property services)

No questions asked

500s (other services)

19.) Q: Excess cost reimbursement-\$48,000? Do we want to budget this? Do we need to reduce this?

A: The administration believes this is a realistic estimate. It is based on an estimated Tuition and Transportation cost of \$250,000. Essex foundation level (4.5 times per pupil cost) is running about \$100,000. The state reimbursement should be about 70% of the balance or \$150,000. That number could swing either way, plus or minus \$1,000. The budgeted excess cost amount was based on an estimated \$170,000. It is hard to tell how the Covid-19 virus will affect these numbers with instruction being done at home. The Essex Board may want to revisit this number as better information becomes available.

600s (supplies and materials)

No questions asked

700s (equipment)

No questions asked

800s (other objects)

No questions asked