

# **SUPERINTENDENT SPECIAL UPDATE – 7-29-2017**

## **UPCOMING IMPORTANT EVENTS:**

**July 31, 2017 (Monday)** 7:00 PM @ the Tolland High School Library (may be in Auditorium) – Joint meeting of the Town Council and the Board of Education

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**August 9, 2017 (Wednesday)** 7:30 PM @ the Hicks Building, 6<sup>th</sup> Floor, Council Chambers – Board of Education meeting

## **2017 – 2018 BOE BUDGET PROGRESSION: CONSIDERATIONS and OVERVIEW**

- January 11, 2017 – Superintendent Proposes 2.45% increase **(BOE Budget: \$40,299,431)**
- February 8, 2017 – Board of Education Adopts 2.14% increase **(BOE Budget: \$40,175,960)**
- March 8, 2017 – June 30, 2017 –
  - Budget reduced to 0% budget increase to comply with practice of reverting to previous year's budget when no other budget is available **(BOE Budget: \$39,333,948)**
  - As Governor's budget(s) and other state budget recommendations were considered, budget is reduced to \$38,133,948. Based on the Governor's budget proposal, the Town indicated the intention to reduce the BOE budget by about 1,200,000 to adjust for what was listed in the Governor's budget as an *increase* of roughly the same amount in special education funds that could be provided to the Board of Education under the Governor's budget **(BOE Budget: \$38,133,948).**
  - June 22, 2017 – Town sends a communication stating that based on an opinion from the Town Attorney and legal precedent, the Town Council at their meeting of April 11, 2017 rescinded previous actions taken on the 2017-2018 budget and suspended any further budget proceedings until such time that more definitive information regarding revenues and expenses are available from the State. This action is necessary due to the fact the State has not adopted a budget. Case law supports allowing the Town Council to extend budget timelines provided that the budget process in its entirety will eventually be implemented. The Annual Budget Presentations on April 20th and April 24th and the Budget Referendum on May 2nd did not commence.
  - July 18, 2017 – The Town Council reviewed potential state budget impact scenarios presented by the Town Manager. The Town Manager asked the Town Council to advise him on the level of reductions to use for budget planning and activities:
    - Mr. Werbner reviewed scenarios:
      - 5% mill rate increase = \$5.8M reduction to the budget
      - 10% mill rate increase = \$3.7M reduction to the budget
      - 15% mill rate increase = \$1.8M reduction to the budget
      - 19.8% mill rate increase = no reduction to the budget
    - A straw poll of the public was taken for what number the Council should present to Mr. Werbner for planning purposes. Tax increase Votes
      - 20%     6
      - 15%     3
      - 10%     11
      - 5%      5

- All members were willing to go with 10% and this was their recommendation to the Town Manager.
- July 19, 2017 – BOE receives a communication from the Town: *Based on the meeting last night... planning for an overall expenditure reduction in the amount of \$3, 783,500. Using an 80/20% split it would mean a reduction from the current budget of \$756,700 for the Town and \$3,026,800 for the BOE.*
- July 25, 2017 – Town Resolution occurred, motioned by Bill Eccles, Seconded by Robert Green and all were in favor: *Be It Resolved that the Town Council authorizing the Town Manager to proceed with the Expenditure Reduction Plan for the FY2017-2018 Town Budget as discussed at their Special Meeting of July 18, 2017.*
- July 26, 2017 – Board of Education meeting occurred. The state budget situation and impact, Town Council reduction plan, and \$3,026,800 additional recommended reduction to the BOE budget was discussed. The impact of reductions on the schools was discussed, equating to about 35 – 40 positions.

**Mr. Werbner has advised/communicated the following**

A 10% increase in the mill rate would require that the current mill rate of 34.19 mills be increased by 3.42 mills for a new mill rate of 37.61. Along with a 10% increase in the mill rate, using the Governors Resource Allocation Revenue numbers, would require that we reduce overall Town and Board of Education expenditures by \$3,783,500.

**Board of Education budget progression by the numbers:**

Starting Budget Point 3%	\$40,592,303.00
Superintendent Proposed 2.45%	\$40,299,431.00
BOE Adopted Budget 2.14%	\$40,175,960.00
BOE 0% Budget	\$39,333,948.00
Budget with \$3,026,800 reduction below zero (BOE allocated portion of TC resolved Budget Reduction Plan)	\$36,307,148.00

**Some potential reductions under the \$36,307,148 budget**

**Note – Reductions would begin August 4<sup>th</sup> to prepare for 2017-2018 year with recalls if more funds became available:**

35 - 40 positions reduced, represents more than 10% of workforce (25 Teachers)

Reductions represent up to 10% of the Teacher workforce in Tolland

Full Pay to Participate Sports - no district funding

No World Language at the Middle School

No ELA Block @ the Middle School

Grade 1 - 5 class sizes as high as 26

Counselor caseloads extensive

Schedules must be redesigned for reduced staff structure

Snow removal may take additional days resulting in more days out of school

No PD Funds

No 2017-2018 purchased curriculum materials or textbooks

No online Math resources

No Math/ELA workbooks/instructional materials

No SRBI/RTI (Reading/Math) Intervention Personnel 6-12, with no Math Int. @ TIS

No Curriculum Director

No Assistant Principal at Birch Grove Elementary

Reduced one High School Assistant Principal

Reduced Curriculum Coordination

Reduce Grant applications and incoming revenue

PBIS and climate efforts impacted by loss of Admin

TPS competitiveness with magnet and charters are compromised

**Note: No STATE BUDGET IS AVAILABLE AS OF July 29, 2017**

## **DESCRIPTIONS**

What is the **Minimum Budget Requirement (MBR)**? (Note: this is a basic overview)

Section 10-262j of the Connecticut General Statutes establishes that, as a general rule, a town or municipality's budgeted appropriation for education for the 2015-2016 and 2016-2017 fiscal years must be no less than the budgeted appropriation for education during the prior fiscal year. Notably, the current MBR statute establishes this requirement for only the 2015-2016 and 2016-2017 fiscal years. The General Assembly has not passed a statutory provision applying the MBR to fiscal year 2017-2018 or beyond. In recent years, however, the General Assembly has extended the MBR in two year increments. Past experience therefore suggests that the basic statutory framework for the MBR is likely to be preserved during future fiscal years.

However, if the district's student enrollment declines<sup>1</sup>. The statutes permit the MBR to be reduced by the product of one-half of the district's current net per pupil expenditure amount and the total enrollment decline<sup>1</sup> (e.g., [The District's net per pupil expenditure/2] x [the total number of students lost] = total available reduction).

Therefore, a total permissible reduction for the BOE budget under these circumstances using October 2015 to October 2016 would be \$826,215.00. This is only if the statutory framework for the MBR is preserved during the coming fiscal years. Please note, Tolland enrollment as of July 2017 is *higher* than last year which would impact next year's MBR (it would likely not be a reduction if the process remained similar). As of July 2017 enrollment was up to 2502.

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<sup>1</sup> Please note that for the enrollment decline for the 2015-2016 school year is defined as the difference in resident student count between October 1, 2014 and October 1, 2013 (using the data on record as of January 1, 2015). Enrollment decline for the 2016-2017 school year is defined as the difference in resident student count between October 1, 2015 and October 1, 2014 (using the data on record as of January 1, 2016).

**What is a Fund Balance & Specifically what is Tolland's Fund Balance:**

1. [Click here for GASB Fund Balance User Perspective](#)
2. [Click here for GASB Fund Balance Reporting](#)

**TOLLAND FUND BALANCE**

**4. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	General Fund	Sewer Assessment	CDBG Small Cities	Capital Projects	Nonmajor Governmental Funds	Total
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 29,769	\$ 29,769
Permanent fund principal					313,063	313,063
Restricted for:						
Community rehabilitation services			151,354			151,354
Unspent bond proceeds				77,789		77,789
Unspent grant proceeds					35,397	35,397
Committed to:						
Sewer capital improvements		923,912				923,912
Dog warden					26,822	26,822
Open space					118,775	118,775
Sewer escrow					24,822	24,822
Lodge furnishings					46,831	46,831
Business park improvements					17,532	17,532
Recreation					213,403	213,403
Water assessments					150,547	150,547
Food service					102,431	102,431
Education programs	63,813				852,972	916,785
Eviction storage					541	541
Cemeteries					191,707	191,707
Training center repair and replacement					7,584	7,584
Field maintenance					11,041	11,041
Veterans memorial					310	310
300th anniversary					1,828	1,828
Emergency storms					174,770	174,770
Artificial turf operation					17,031	17,031
Debt service					544,149	544,149
Special assessment projects				2,266,416		2,266,416
Assigned to:						
Purchases on order	1,514,973					1,514,973
Contribution to next fiscal budget	250,000					250,000
Unassigned	7,113,653					7,113,653
<b>Total Fund Balances</b>	<b>\$ 8,942,439</b>	<b>\$ 923,912</b>	<b>\$ 151,354</b>	<b>\$ 2,344,205</b>	<b>\$ 2,881,325</b>	<b>\$ 15,243,235</b>

Significant encumbrances of \$1,514,973 at June 30, 2016 are contained in the above table in the assigned category of the General Fund.

#### STATE REPRESENTATIVE CONTACT INFORMATION

State Representative Tim Ackert 800-842-1423 or 860-240-8700 300 Capitol Ave., Hartford <a href="mailto:tim.ackert@housegop.ct.gov">tim.ackert@housegop.ct.gov</a>
State Representative Sam Belsito 800-842-1423 or 860-240-8700 300 Capitol Ave., Hartford <a href="mailto:sam.belsito@housegop.ct.gov">sam.belsito@housegop.ct.gov</a>
<b>State Senator Tony Guglielmo</b> Legislative Office Building Room 3400 Hartford, CT 06106 Phone: 1-800-842-1421 <a href="mailto:anthony.guglielmo@cga.ct.gov">anthony.guglielmo@cga.ct.gov</a>
Office of the Lieutenant Governor Nancy Wyman State Capitol 210 Capitol Avenue, Room 304 Hartford CT 06106 Phone Number: (860) 524-7384 TDD: (860) 524-7397 <a href="mailto:Ltgovernor.Wyman@ct.gov">Ltgovernor.Wyman@ct.gov</a>
Speaker of the House Joe Aresimowicz Legislative Office Building, Room 4105 Hartford, CT 06106-1591 860-240-8500   800-842-8267 <a href="mailto:Joe.Aresimowicz@cga.ct.gov">Joe.Aresimowicz@cga.ct.gov</a>

#### LINKS & PERSPECTIVES:

- <https://ctmirror.org/2017/07/28/budget-standoff-about-to-take-a-big-toll-on-cities-and-towns/>
- <https://www.theatlantic.com/business/archive/2016/08/property-taxes-and-unequal-schools/497333/>
- <https://www.theatlantic.com/business/archive/2016/09/fairfield-county/501215/>
- <https://ctmirror.org/2017/06/22/school-funding-reform-three-tough-questions-facing-lawmakers/>