

## SUPERINTENDENT'S BUDGET MESSAGE

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### 2012-13, A YEAR OF BALANCE AND RESTRAINT

The Waterford Public Schools enjoy a regional and statewide reputation for providing high quality education and programs for our students. Year after year, student and staff achievements contribute to and provide evidence of the success of the Waterford Public Schools.

We are a learning community focused on instructional improvement grounded in what works to benefit all children. This is accomplished through our commitment to continuous improvement, developing 21<sup>st</sup> century skills in all students, and supporting quality instructional practices and educational programs in a fiscally responsible way.

This budget is a financial plan to support an academic program, and not merely an accounting document. The resources in this plan will enable students and staff to engage in the learning experiences that are central to our purpose. It is the range and variety of these experiences and opportunities that make Waterford, Waterford. The schools are a major reason many people move here. In many ways, they define and give value to our community.

We commonly hear that good schools enhance property values, which is accurate. The educational system is undeniably an important factor in that value. Likewise, it's not uncommon to hear of families that decide Waterford is the best investment in Southeastern Connecticut.

The challenge before us is to sustain and enhance the quality of the Waterford educational experience. In difficult economic times, the challenge becomes more complex. The public trusts that the Board of Education and its employees will treat its resources carefully, that it will not diminish those educational components that lend meaning to people's lives, make the community what it is, and what attracted people to Waterford in the first place.

The point is that good stewards are prudent. They recognize that difficult times require care, economy, and even sacrifice. But they also recognize that nothing can remain strong unless it continues to grow. And they understand that quality is a function not just of the whole, but also of its parts. Additionally, they understand that while great schools are foremost about the life of the mind, each part—academics, arts, athletics, extracurricular activities, and so on—is essential to the whole. Each has a value by itself, but it also connects students to one another, to adults, and to the institution in a network that informs and promotes the basic purposes of our Waterford schools.

The 2012-2013 school year will continue to challenge the stewards of public education in Waterford to find the right balance among the pressing demands. Among the demands which highlight the year's agenda are the implementation of revised and updated curriculum, the need to upgrade texts and instructional materials, plans to replace aging technology equipment, providing mandated special education services and physical plant upkeep.

Even with many competing demands, the Waterford Board of Education and administration work hard to address needs, and yet to meet each need fully would be prohibitively expensive to taxpayers. We ask a lot of our staff, and recognize and appreciate that nearly everyone in our system goes beyond the call of duty.

This request balances the schools' most pressing needs while we try not to overwhelm the town's ability to support its schools.

Planning for the 2012-2013 fiscal year has focused on the following issues:

1. **Enrollment:** The Waterford Public Schools enrollment is projected to decline by 78 students spread across all grades. There are also some significant enrollment shifts in certain grades that necessitate some staffing adjustments.

**2012-13 Budgetary Impact:** We are able to reduce 2.0 FTE at the elementary level. It is important to note that elementary staffing is determined by total enrollment in each grade at each school. We are also able to reduce 1.0 FTE at the high school by redesigning the master schedule and assigning select staff a sixth class for the smaller enrollment in many singleton classes, (e.g., A.P. Chemistry, AP Biology, Physics, French 5 AP, AP Spanish 5, ...). As a result, we are able to redeploy 1.0 FTE to address the High School need for Literacy support with a grade 6 – 12 Literacy Specialist.

2. **Instruction:** The Waterford Public Schools prides itself on the instructional program it provides students in our town. Revised language arts and world language curricula have been developed over the past two years. Curriculum innovation and improvement is what keeps staff and students performing at exemplary levels.

**2012-13 Budgetary Impact:** The 2012-13 budget supports the curriculum renewal of K-12 mathematics and phasing-in the purchase of new resources to implement the curriculum. In addition, art, music, information technology, and school counseling will initiate the seven year renewal cycle in this budget. Funds are budgeted for curriculum writing, professional development and new instructional resources.

3. **Technology:** Over the past two years, Waterford has upgraded its infrastructure with new servers, switches, and equipment.

**2012-13 Budgetary Impact:** Phase I of the technology equipment replacement plan is reflected in this budget request. Year 1 of this plan represents a scaled-down attempt at initiating the replacement process during these economic times. Also, software upgrades are necessary to address instructional and administrative requirements.

4. **Special Education Programs:** The Waterford Public Schools continue to strive to provide effective and cost efficient special education programs and services. State law mandates that services are provided to identify children ranging from age 3 to 21. Many programs are provided “in-house”, to reduce costs to the district. Historically, Waterford identified approximately 10.3% of students in need of special services. Our percentage of students identified ranks us below the DRG (11.1%) and state averages (11.4%). However, some student service needs require specialized training by staff and service consultants. In addition, some students require placement at specialized facilities, which are costly.

**2012-13 Budgetary Impact:** An additional \$296,145 is being requested in the special education contracted services budget to meet the increasing special education demands in the areas of autism services, magnet school services and transportation costs.

5. **Health Insurance Costs:** The Town and Board of Education have bid their health insurance for the first time in a long time. Bids will be known by March 1<sup>st</sup>. Below is a table which reflects the increases and decreases since 2001-02. This budget line includes a 10% cost increase for health insurance as a placeholder until the actual rate increase is known.

Budget Year	Health Insurance Executive Summary	Increase or Decrease
2001-02	3,260,840	8.39%
2002-03	3,607,330	5.18%
2003-04	3,312,255	-3.17%
2004-05	3,211,750	-3.03%
2005-06	3,262,041	1.57%
2006-07	3,572,030	9.50%
2007-08	3,480,343	-2.57%
2008-09	4,149,656	22.82%
2009-10	4,111,425	-0.92%
2010-11	4,926,515	19.82%
2011-12	6,453,039	30.99%
2012-13	7,098,039	10.00%

**2012-13 Budgetary Impact:** This account is the most volatile in the budget. The budget will be reviewed in early March to reflect the actual costs for health insurance after the bid process is complete.

### **Cost Containment**

Clearly, the 2012-2013 budget can be classified as one of balance and restraint. We make the most of every educational dollar and strive to provide superb education under tight fiscal constraints. Cost containment measures in the 2012-2013 budget include:

- Working with the Administrative Team, an extensive review of class size guidelines and scheduling designs occurred and as a result, class sizes are maximized. This has led to a reduction of certified staff. As a result 2.0 FTE certified staff teaching positions have been reduced from the 2012-2013 budget request.
- Recent contract negotiations with teachers have resulted in the increased cost sharing by our employees to offset the cost of health insurance over the next three years. The estimated cost avoidance over this three year period is \$700,000. Costs amounting \$213,500 will be avoided in 2012-2013. Negotiations with secretaries, custodians, maintenance workers, food service and paraprofessionals commence in January 2012.
- In addition, the Board of Education and Town of Waterford, through the Insurance Committee, is exploring further cost savings opportunities in our health benefits programs. A request for qualifications proposal process has been initiated to hopefully further reduce health costs.
- We are exploring partnering with Energy Education to reduce energy consumption and costs. It is projected that changes in employee and student behavior coupled with effective management of all equipment will save taxpayer dollars.
- Electrical generation rates have been competitively bid resulting in a reduction of \$53,850 in the utilities account for next year by reducing the kw/hr. rate from 10.358 to 7.525.
- Overtime accounts have been reduced for the past 3 years through more efficient assignment of staff. Expenditures in 2012-13 are projected to be \$86,164 when compared to 2011-12 at \$93,032.
- Assistive technology costs have been reduced by utilizing iPads and instructional applications versus use of special education tools and laptops.
- Behavior Management classes at the High School have kept us from educating students in out-of-district placements.
- We have reduced transportation costs by \$8,350 by aligning our school calendar with the Regional Calendar.
- The installation of fiber-optic lines and Voice over Internet has reduced T<sub>1</sub> usage by \$24,009.
- The Waterford Public Schools is a member of the Connecticut Consortium for Cooperative Purchasing which buys such items as paper, and instructional, custodial and health supplies. Conservatively, we save approximately 25% per year through participation in this purchasing consortium. Cost avoidance is estimated between \$15,000 and \$18,000 per year.

This year's budget increase is \$1,305,317 or 3.04% based on a 10% increase for health insurance, though the actual increase won't be known until March 1, 2012.

Major elements contributing to increased expenditures, beyond the modest level of inflation, are: student transportation, labor costs, special education costs, energy and retirement obligations. The above noted factors impact this budget which is greatly influenced from beyond the borders of Waterford. The following lists some of the important factors accounting for the budget changes.

**Increases to the Budget:**

Healthcare	\$ 645,000
Certified Salary Contract	338,895
Loss of Grant Funds	242,896
Student Transportation	197,309
Contracted Services	167,487
Sick Leave payout	161,762
SPED transportation	110,136
Diesel	66,575
Software	39,873
Instructional Supplies	29,681
Freshman Sports	23,435
Life insurance	17,496
Retirement Incentive	16,000
Fuel Oil	12,997
Propane	11,140
Other line items	<u>59,667</u>

**Total Increases \$2,140,349**

**Decreases to the Budget:**

Excess Cost	\$269,082
Turnover – Retirement – Salary	194,163
Technology Equipment	78,427
FICA	53,868
Electricity	53,850
Legal	43,531
Unemployment	22,778
Community Use	21,045
Purchased Services Software	15,888
Tuition (net)	14,564
Other line items	67,836

**Total Reductions \$835,032**

**Net Change in the Budget \$1,305,317 or 3.04%**

Approximately, 60.3% of the budget is dedicated to salary for staff and another 19.4% for benefits and health care. It is important to note that this budget reduces the Certified Staff by 2.0 FTE. When comparing the Fiscal Year 2012 actual staffing to the FY 2013 requests, staffing, program changes and new initiatives are funded by reallocating existing staff to the program improvements wherever possible.

The Waterford Public Schools continue to work cooperatively and collaboratively with other school systems throughout New London County. Best educational practices and best fiscal practices are being shared across district lines. Cost containment initiatives, outlined earlier in this Executive Summary, are the result of this collaborative effort.

This budget is the result of months of work and is needs-based and data-driven. In the spirit of balance and restraint, the resources in this budget are needed. We have worked hard to reduce costs. This was accomplished by increased efficiencies and cost containment. This request has been honed to a minimum and it is both educationally sound and fiscally responsible.

Your questions and analysis of this budget are welcome. We are extremely fortunate in Waterford to have a broad base of community support for education and make the most of every educational dollar. We invite your comments on this proposal and look forward to productive community discussions about its goals and merits.

Sincerely,

A handwritten signature in black ink that reads "Jerome R. Belair". The signature is written in a cursive style with a large initial "J" and "B".

Jerome R. Belair  
Superintendent of Schools