



*Office of the Superintendent*

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February 8, 2008

Mr. John W. "Bill" Sheehan, Chairperson  
Board of Finance Members

Ms. Sharon Palmer, Town Moderator  
Representative Town Meeting Members

Dear Sharon, Bill and Members,

In December, I forwarded a budget request to the Board of Education which contained an increase of 3.40% over the current year. The Board reviewed the budget and reduced that request to 3.38%. As the budget was being finalized, we were informed that we would need to include an additional \$592,599 to the Health Insurance account. Needless to say, this was a shocking bit of news. This brought the budget, being forwarded to you for consideration, to a 4.93% increase. It includes an increase of \$794,313 to the Health Insurance line. Excluding the insurance increase, the operational increase to the Board of Education budget is 3.14%.

Several steps were already planned in order to minimize the operational increase. Next year we will share staff between the middle school and the high school. While this poses logistical problems, it will save money. We will be reducing the Central Office administrative staff by one, thereby netting savings of \$98,000. We are proceeding with the school consolidation plan and as you know this will save money as we open Quaker Hill in the fall with geothermal heating and cooling. We reduced, significantly, the elementary library and equipment budget lines by utilizing books and equipment from the Great Neck and Cohanzie schools which will be closed. These are a few of the steps being taken to ensure that we are as fiscally prudent as possible during difficult times.

In addition, I will be recommending to the Board of Education that a committee be formed to look at ways we can reduce the cost of health insurance. For example, we might offer smoking cessation programs, weight loss programs, gym membership options, etc. We could, I believe, structure a program that would offer incentives to our employees that would in turn save on the escalating cost of health insurance. If this is something that the town might want to consider offering its employees as well, I think that the savings could be even greater.

Mr. John W. "Bill" Sheehan, Chairperson, & Board of Finance Members  
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However, that does not solve the immediate problem. I am anxious to work with the Board of Finance and the Representative Town Meeting to mitigate the impact of this unexpected insurance increase. I would respectfully ask, before we begin to cut programs that will never be brought back, that we make every effort to solve the dilemma of health insurance cost increases. If we fail, then dramatic cuts to educational programs will need to be considered.

I appreciate your time and attention in considering this budget request. I stand ready to work with you and am open to suggestions to reduce health insurance costs. As always, I am available to meet at your request to answer questions or discuss possible solutions.

Sincerely,

*Mandy*

Randall H. Collins  
Superintendent of Schools

RHC:jc