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## **How and Why Education Spending Is Up by 2.16% — Explanations From Two Town Officials**

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Several town officials spoke with prepared comments to the Representative Town Meeting about the education budget, with all of them defending it as, overall a good budget.

The 2016-2017 education budget, which was approved by the RTM without changes, is up 2.16 percent from the Fiscal Year '16-'17 budget passed last year, although it will be \$2.2 million in the hole if the state eliminates all of its Education Cost Sharing grant to the town. (In that case, money for some projects could be bonded and the money used to fill the hole, Board of Finance Chairman Jon Zagrodzky said.)

Several town officials spoke to the Representative Town Meeting about the proposed education budget before the RTM discussed it further voted on it. They all had prepared statements, including the two published in full, below.

In addition, Zagrodzky had a lot to say about the education budget ([his speech is here](#)), and RTM Education Committee Chairman Dennis Maroney spoke about the budget (he expected to send the text to us; it hasn't arrived yet).

Maroney's statement — which was the Education Committee's report on the budget — was much less supportive of some parts of the budget, even though the report recommended approval.

*These are the full texts (with slight changes, as noted at the bottom of this article):*

## **Jack Davis, RTM Finance & Budget Committee Report on Education Budget**

*Darienite.com editor's note: Davis uses a lot of acronyms. We explain them on first reference below, but listing them here may also be handy:*

- **BOE [Board of Education]**
- **BOS [Board of Selectmen]**
- **CAGR [[compound annual growth rate](#)]**
- **F&B [Finance & Budget Committee]**
- **FTEs [[Full-Time Equivalent](#) job positions]**
- **IEPs [Individual Education Plans for students who get special education services]**
- **[OOD] Out-of-district placement (Darien students transported elsewhere for special education services)**
- **paras [paraprofessionals] (trained and certified teachers aides)**
- **SPED [Special Education]**

*Keep in mind that when Darien was found to have been providing less than necessary special education programs several years ago, the town was ordered by the state to improve them, which forced increased spending.*

Thank you Mr. Maroney and the Education Committee for a very thorough report on the Board of Education budget. I will try to repeat as little as possible.

### **A Bit About the Process and Rules**

As there are new RTM members as well as reminding existing members, I wanted to remind everyone about the uniqueness of the **BOE [Board of Education]** operating budget.

In the state of Connecticut, Boards of Education are elected by the local citizenry and their operating expenses funded by local tax dollars but their authority comes from the State. As such, the Board of Finance and RTM do not have line item veto as we do with Board of Selectmen and BOE capital [budgets] and the **BOS [Board of Selectmen]** operating budget.

We approve an aggregate amount for expenditures — the line items that both RTM Education and **F&B [Finance & Budget]** committees reviewed are placeholders. An extreme situation to show as an example is:

- If in the budget the BOE has purchase of football uniforms for \$1,000
- And you don't like that the Blue Wave has black uniforms
- You could propose a \$1,000 cut trying to stop the purchase of black uniforms
- But even if the cut passes, the BOE could still buy black uniforms and reduce another part of the budget by \$1000 — they are not beholden to the rationale of any proposed reduction
- We simply do not have line item veto

This gets into the purview of the Board of Finance and RTM. We approve an aggregate budget, it's not our purview to determine the minutia.

We can discuss, influence, cajole, disagree or agree during the budget discussions but at the end of the day it is up to our elected BOE members to determine how that aggregate amount is distributed within the goals that they, the BOE, establishes every August/September.

#### **How Much the Education Budget Has Been Growing**

A bit of background prior to getting into the discussion of the actual budget. There has been a great deal of discussion regarding the growth in the aggregate total BOE budget within the F&B committee. A frequent question is "*What are the drivers of the increase?*" — especially as the total school population appears to be level or showing only minor increases.

An analysis of the five-year **CAGR** [[compound annual growth rate](#)] for the various components of our budget indicated the following:

- The BOS specific operating budget has grown by 1.88 percent
- The Library operating budget has grown by 2.02 percent
- The BOE operating budget has grown by 3.25 percent
- But if you look within the BOE budget — the main budget without **SPED [Special Education]** has grown only 1.99 percent — consistent with the BOS and close to the five-year inflation rate of 1.61 percent.

#### **Long-Term Growth in Special Education Costs**

So what is driving the SPED budget? You heard in Dennis' [Maroney's] Education committee report that since the year before the SPED crisis — of the 53.9 new **FTEs** [[Full-Time Equivalent job positions](#)] 70 percent are directly attributable to SPED — including teachers, nurses and para professionals.

A further analysis shows significant growth in **[OOD] Out-of-district placement** — as our district did not have in-house capacity to meet the needs of students. These CAGR over five years are stark:

- Fully loaded SPED five-year CAGR is 7.03 percent
- OOD tuition five-year CAGR is 11.6% (from 4.0 million to 6.3 million)
- OOD tuition with OOD transportation CAGR is 11.4 percent (\$4.6 million to \$7.1 million)
- The 10-year CAGR for OOD tuition is a whopping 34 percent (from \$4.5 million to \$6.3 million)
- The total cost for OOD and OOD transportation represents 7.3 percent of the BOE's total operating budget — and we are out of whack when compared to OOD expense and number of students out-placed in comparison to our peer communities.

#### **Some Factors in the Rise of Special Ed Costs**

These are the costs that are driving the BOE budget increases. Having been involved with the BOE budgets and specifically understanding the related costs associated with SPED — it is important to know that there is no statistical or empirical data that shows a correlation between the growth in the district's total student population and the number of SPED students.

And more importantly, there is no correlation between the total student body and the mix of SPED students' needs. That is similar to the growth in total student population [and] has no correlation to the number of bright or athletic students or students with blond hair with blue eyes — it is driven by other factors, not growth in student population.

The drivers of BOE budget growth are important to understand. It is the underlying basis for two of the more discussed initiatives in this budget — the Fitch Academy and the department chairs.

Both were created to address building in-house capacity; delivering services and reducing future costs as well as improving the overall quality of education. And we can't keep asking for the BOE to make financial changes but require them to stay a rigid non-innovative course — you can't have it both ways. Life and business doesn't work that way.

One other thing about the SPED cost center expenses. Not all expenses are attributable to SPED students. Mainstream students use the services of social workers, school psychologists and other services. There is another classification as well — 504 students that aren't considered SPED.

Those students also access **paras [paraprofessionals]**, social workers, school psychologists or may receive homebound tutoring or a slew of other services included in the SPED cost center.

#### **Initiatives That May Lower Costs**

The Fitch Academy is not a new educational concept — it may be for Darien — but it has been successfully implemented in many highly regarded Long Island and Westchester schools for some time. It has also been implemented within our own state.

Dr. Brenner has been associated with two successful programs — one as an administrator and the other as superintendent. There is a difficult concept with the Fitch Academy — it's not SPED but it can have a direct impact on future SPED costs. It is a volunteer participation; it addresses a specific need identified as having sufficient critical mass within the district to address; and it is a pilot program that can be unwound if necessary.

Have all the *i*'s been dotted and the *r*'s crossed — no. Would the BOE, BOF and RTM Education and F&B committee members like a bit more long-term financial detail — yes. But it will be ready for prime time come September. And the long-term financials will follow.

Let me add one more thing. The cost of this pilot is \$24,000. If just one Darien student doesn't need to be out-placed because the Fitch Academy exists, because there is a place for that student to land — the ROI [return on investment] is a whopping 300 to 400 percent of the pilot's cost.

#### **New Department Chairs Positions**

The department chairs [proposal] that was discussed by the [RTM] Education Committee is the next biggest area of discussion. No one is happy with adding seven new administrators, but the net addition is only 3.3 due to reorganization and elimination of other administrative positions.

The total cost is approximately \$300,000, as there are reductions in curriculum positions and stipends, and they will all teach one class a semester and other associated costs. This is cost deferral, a middle-management issue and a quality of education initiative.

The current system of peer department heads does not work — it is not currently accepted best practices in education. And it needs to be done and has needed to be done for some time.

There are changes in our education system — some of our teachers are resistant to change be it consistency and continuity between curriculum and testing within a grade or subject matter; implementation of the new One-to-One technology tool or simply compiling with **IEPs [Individual Education Plans for students who get special education services]** and ensuring what has been promised to the student is actually being implemented. And this latter one has the capacity to create financial havoc if IEPs are not compiled with.

The department chairs address these issues with the authority to take corrective actions. Simply put, it ensures continuity and a consistent quality education for all students and facilitates our students smooth transition from grade to grade and from Middlesex Middle School to Darien High School regardless of which teacher a student had prior to their next level.

#### **Perspective on This Year's Budget Growth**

As for the overall budget, the budget is \$95.9 million, up \$2.0 million or 2.16 percent from last year. Not only is the increase in terms of percentage smaller than in prior years but the total dollar increase is smaller as well.

This is the lowest budget increase in at least 15 years and it is being accomplished with the 3 percent teacher salary contract increase approved by the RTM earlier this year.

**The Hartford Wild Card**

There are risks in this budget. The budget assumes a continuation of the safety net reimbursement to towns by the state referred to as Excess Cost Reimbursement. That has been under attack as Hartford continues to look to cut all educational payments to financially well managed communities.

Hartford seems to believe that there is a correlation between wealthy communities and their lack of SPED students. The current budget includes reimbursement of approximately \$2.3 million. The BOF is aware of this risk as are the RTM committees.

**How the F&B Committee Voted**

At our meeting on Monday, April 23, with 13 of 15 members present, the F&B Committee voted to approve the education operating budget with 10 in favor; none opposed and three abstentions.

The abstentions representing a minority opinion were related to:

- The growth in the overall BOE operating budget with little or no growth in total student population
- The lack of a fully defined Fitch Academy without long term financials
- The poor communication by the BOE during this budget cycle
- And lastly, as one member stated, they were not in favor of adding seven administrators but had difficulty voting against the budget as it was only a 2.16 percent increase.

**Michael Harman, Board of Education Chairperson**

*Here's the full statement to the RTM from Michael Harman, chairperson of the Board of Education:*

Mister Moderator, members of the RTM, elected officials and the town of Darien. Thank you for the opportunity to present the Board of Education recommended budget for 2017-2018.

Thank you to the RTM Education and F&B [Finance and Budget] committees for sharing your perspective and to the parents, teachers and administrators for your efforts and your commitment to our children.

**It's Only Up 2.16 %**

Tonight, I'd like to provide a high-level overview of the Board of Education's 2017-2018 recommended budget of \$95,855,777. As background, the Board of Education and this RTM voted to ratify the new teacher's contract which included a 3.4 percent increase.

Even with that increase, the administration and the BoE were able to capture efficiencies, create new programs affecting all learners, and lay the ground work for future innovations and savings all within a 2.16 percent budget [increase] —the lowest increase in more than a decade.

**Darien High School Cafeteria Expansion**

The Board of Education’s capital projects request is \$3,254,653. As you are aware, unlike the Operating Budget, the RTM has line-item authority on these 24 projects.

Discussion at committee meetings generated the most questions concerning the cafeteria project so please allow me to provide some detail to your full body.

The Cafeteria expansion proposal was deferred by the Board of Finance from our 2016-2017 capital budget with the charge that we ensure that the project not be “value engineered” as In the Fall of 2016 we engaged an architectural firm and reviewed multiple options.

***Darienite.com editor's note on "value engineered"*** — The term is used by engineering firms and architects to describe adjustments or even plans made with certain budget constraints in mind. In Darien government, it's come to mean removing beneficial features of town projects during the planning, design or even building phases of a project in order to meet budget goals in ways that cause future problems when those beneficial features need to be added back later — potentially at a much higher cost. Essentially, it comes down to being penny-wise and pound-foolish.

The option presented to you tonight meets the core needs of increasing capacity, designing a hospitable environment — which includes necessary acoustical upgrades and optimal seating for an educational environment, and creating flexibility for alternative use.

The final approved concept presented tonight represents the best solution from an educational and financial standpoint. This project is scheduled for completion by the start of the 2018 school year. Approval of this project is critical to accommodate the large class arriving that Fall while also providing capacity for the projected future enrollment projections.

With our children as our first priority and financial prudence our guiding principle, I request that you continue to support this investment in the future of our community by supporting the Darien Board of Education 2017- 2108 budget.

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*Editor's note: Darienite.com added the subheadlines, made minor editorial changes for our in-house editorial style and added a few explanatory phrases or office titles within brackets (“[ ]”).*

*Special thanks to Jim Cameron for making available to Darienite.com some of the photos he took for Darien*

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*TV79 tweets on Monday night.*