

BETHANY PUBLIC SCHOOL DISTRICT



Board of Education

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March 1, 2010

Greetings from the Bethany Board of Education!

We write to you today about the Bethany Community School budget for the 2010-2011 school year. We all agree that the education of our children is a top priority and must be preserved and improved; but we also, as taxpayers in lean times, all agree that budget growth must be limited to keep the property tax burden on town residents as low as possible. Education expenses – the combined budgets of the Bethany Community School and the Amity School District – compose more than half of the town's budget each year (43% for Amity, a little over 30% for BCS).

Here are the key points of this year's budget; we give more details below for those who are interested.

- Bethany spends 15% less per pupil than the state average, and 12% less than socioeconomically comparable school districts, according to State data. Despite this relatively low outlay, Bethany was ranked #2 of all small towns in Connecticut for the quality of education in the latest issue of Connecticut Magazine.
- Education budgets tend to increase every year. Last year we were able to hold the 2009-2010 budget to a 0% increase, due largely to fluctuations in special education costs and savings in health care benefits.
- Unfortunately, a level budget is difficult to maintain, given contractual increases in salaries, the escalating costs of benefits, utility cost increases, and other expenses. **In fact, next year, maintaining the current level of staffing and services would require an 8.8% increase over the 2009-2010 budget.**
- By carefully examining where the budget can be reduced without unacceptably compromising education, **we have made targeted cuts that reduce the proposed budget to a 2.43% budget increase over this year.** The identified cuts call for a reduction in the number of classroom teachers, through attrition.
- This budget will be presented to the Board of Finance (BOF) at 7 PM on Tuesday, March 2 in the Town Hall. This meeting is open to the public. The BOF will decide, at some later date, whether the proposed budget can fit into the town's overall budget.

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If they call for a reduction, the Board of Education may have to make further cuts in staff and programs.

- Details of the budget can be found at <http://www.bethany-ed.org/page.cfm?p=451>.

Parental input into the budget process is critical. It helps us determine where limited resources should be spent. Attending the Board of Finance meeting, and the Town Meeting later in the spring, can help the BOF and the community understand what Bethany parents and taxpayers support and oppose.

Attached to this letter you will find some more detail about the budget that is being proposed on March 2, and what its implications are for the school. We hope this information is helpful to parents and to the community as a whole in understanding how the Board is seeking to balance the needs of the school against the need to keep expenses down in difficult economic times.

Sincerely yours,

Christopher Pittenger

Laura Adair

Bethany Board of Education Communication Committee
For the Bethany Board of Education



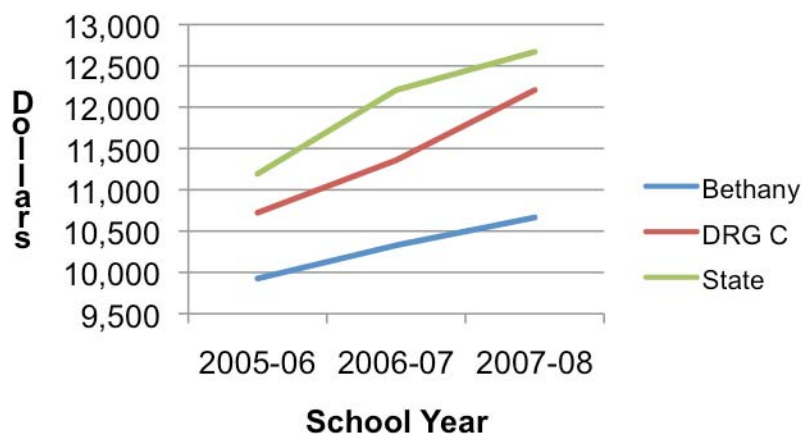
Where are we in the budget process? The superintendent and school administration began work on the budget in the fall; discussions by the Board of Education, and by its Finance Committee, began in October and continued through a series of special workshop sessions in January and February. All of these sessions have been open to the public. At the BOE meeting on February 24, the Board voted to approve the budget for presentation to the Board of Finance.

What happens next? After the proposed budget is presented to the Board of Finance on March 2, they have the duty of examining the proposed budget and balancing the School's needs against the town's finances and other needs, including the Amity budget and town governmental functions. They can then either accept the BOE's budget proposal or request that it be reduced. If they request reductions, how to make further cuts will be discussed by the BOE at a later meeting.

What is the BOE's proposed budget? Last year, through careful budgeting, renegotiation with health insurance carriers, the superintendent forgoing any salary increase, and other measures, and because of fluctuations in mandated special education costs, the administration and the Board were able to keep the 2009-2010 budget to the same level as it was for 2008-2009 – a 0% increase – without cuts in staff or programs. But when we looked at what it would cost to fund all programs and services next year exactly as we did this year, we realized that that would require an 8.8% increase over this year's budget. As taxpayers the Board of Education recognized that an increase that large was not acceptable. We therefore went through a careful process of examining all aspects of school staffing and programs, to determine what could reasonably be reduced without compromising education. This process led to the current proposal, which calls for a 2.43% increase (approximately \$151,000) over last year's budget.

How does this compare to the cost of education in other towns? The cost of education in Bethany is actually quite low, relatively speaking. Between 2005 and 2008, the per-pupil cost for education in Bethany increased from \$9,926 to \$10,665, a 7.4% increase. (The state has not yet released numbers for more recent years.) The state average went from \$11,193 to \$12,670, a 13.2% increase. In communities similar to Bethany (a group defined by the state, termed District Reference Group C, or DRG-C), per-pupil expenditures increased over these years from \$10,722 to \$12,207, a 13.8% increase. These trends are shown in the graph.

In other words, in 2007-2008 Bethany spent 15% less per pupil than the state average, and 12% less than economically similar towns;





and the cost of education, per pupil, has been increasing more slowly in Bethany than in the state as a whole. Despite this relatively low per-pupil expenditure, the quality of education at BCS is high; indeed, Bethany was ranked #2 in quality of education among all small towns in Connecticut in the latest issue of Connecticut magazine.

Why does the cost of education seem to go up every year? Education is expensive. It makes up a good chunk of every town's budget; and yes, it does get more expensive almost every year. There are several reasons. One is inflation, plain and simple – the cost of utilities, building maintenance, and supplies tends to increase. A second is contractual increases in teacher and staff salaries and benefits, to which we are legally bound; since approximately 80% of the budget consists of teacher and staff salary and benefits, this is a large driver of the budget. Finally, special education costs, which are mandated, fluctuate year to year but tend to go up over time.

This year the school experienced a large, unexpected increase in mandated special education costs. These cannot be altered; we are required to pay them, by law. As a Board, we set a goal of keeping funding for the school at the same level as last year, exclusive of these mandated costs. We succeeded in this; the proposed 2.43% increase actually represents a small reduction in the overall budget, apart from those unexpected mandated costs.

BCS takes pride in our excellent special education program. The town is required by law to support the costs of this program; but in theory we are supposed to receive federal grants in support of special education and to have some of the 'excess costs' – costs above a certain threshold – reimbursed by the state. Federal grants are supposed to fund at least 40% of these excess costs; unfortunately, grants have in fact never covered more than about 15%, and even this has declined in recent years. The balance is supposed to be reimbursed by the state; but this, too, has been declining. When government programs provide only part of the reimbursement, the town budget must make up the difference. This seems unfair to property taxpayers, not only in Bethany but throughout Connecticut; but it is a system that we cannot change, except through action at the level of the state government. This year, reimbursement is estimated to be only 82% of the special education funds for which Bethany is eligible. Our best estimate, based on what officials in Hartford are telling us, is that reimbursement next year is likely to be only 70%, further increasing the burden on the town.

What has been cut to reduce the budget proposal down to 2.43%? How will this affect education? The administration and the Board have scoured the budget for opportunities to cut costs without compromising education.

- The biggest change is that, because the size of the student body has declined over the past few years, the number of classroom teachers will be reduced by two. The number of classroom teachers at some grade levels will be reduced from 4 to 3, where this can be done while keeping class size within an acceptable range. This reduction in teachers is being done by attrition. There will also be a small reduction in Special Education staff (by elimination of a portion of a School Psychologist position) and in library staffing (a part-time aide).
- We are reducing the number of interns from Quinnipiac University who assist teachers in the school, from 12 to 6. These interns perform a number of valuable services, including covering for teachers during meetings and professional development activities, serving as substitutes when teachers are sick, and assisting in



the classroom. But the administration determined that reducing their number would have less of an impact than other possible cuts.

- We are reducing the purchase of textbooks and supplies, and deferring a number of technology purchases. We cannot do this indefinitely – ultimately new textbooks need to be bought, and technology needs to be updated, or it will be impossible to effectively educate. But deferring these purchases until the economy improves allows for some savings in the current difficult year.
- We are reducing funding for outside consultants who work with staff to enhance teaching skills and to provide training for specialized programs.

Might further cuts be necessary? Yes, if a further budget reduction is requested by the Board of Finance. The current budget is just a proposal, which we will take to the BOF on March 2. If they approve this budget, and if the Town then approves it at the annual town meeting later in the spring, then no further cuts will be necessary. But if the BOF, or the town as a whole, determines that the budget needs to be further pared back, then the BOE will need to make further cuts. It will be difficult to substantially reduce the budget further without laying off teachers and cutting programs, though we will always make every effort to reach budgetary targets with as little impact on the students as possible.

What school needs are being put off? To keep the budget as contained as possible this year, some important needs are being deferred. These include the ongoing plan to update the computers in the school, updating textbooks, library books, and software resources, and addressing the school's long-term facilities needs, such as the Annex buildings. These can be put off for a bit, but they will need to be dealt with in future years.

Assembling and approving the budget for each year is an enormous job, and it is particularly difficult this year. We are only half way through the process. We all share the goal of keeping expenses – and therefore property taxes – as low as possible, but also of guaranteeing, and continuously improving, our children's education.

Christopher Pittenger

Laura Adair

Bethany Board of Education Communication Committee
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