



Michael P. Yamin
Superintendent

March 19, 2018

Dear Regional School District 16 Community,

As many of you are aware, we have recently begun our budget workshops and Board of Education (BOE) meetings to create next year's school budget. Our initial presentation and proposal is for a zero percent (0%) increase for the 2018/19 school year. This initial proposal will be analyzed and discussed with the BOE, along with opportunities for public comment, town official comment, and school administrator input until it is presented at the May 7, 2018 BOE annual district meeting for a regional vote.

Historically, over the last four years, including this year, we have proposed a 2% or less budget increase. The average four-year increase in the State of Connecticut for school districts falls between 3% and 5%. If this proposal for the 2018/19 school year is approved, we will have realized two 0% increases in the last four years. However, we have been able to maintain current staffing levels, increase math and reading specialists, implement full day kindergarten, and improve our technology and instructional supplies with the most current assessment tools and technological devices for all students. Moreover, the District's historical budget surplus averages 2.6%. This is a result of the budget process that requires a Regional School District to pass a budget by the first week in May, and the challenge of estimating state and federal revenue as those budgets frequently do not pass until July. It also does not allow for reductions that often occur after the budget is passed, as we continuously work towards cost containment strategies. We are also subjected to utilizing estimates provided by insurance providers and other contractual obligations that often are not finalized until the renewal dates in July as well. These last few years have also been challenging due to the forty-six million dollars in renovation and new construction work. We have accumulated new debt, and the utility estimates are difficult due to the lack of longitudinal data on electricity, natural gas, etc.

Our budget is constructed each year based on the impact of collective bargaining requirements, state and federal mandates, and the rising costs for benefits, energy and transportation. The budget proposal reflects many compromises and adjustments for operational efficiencies, and utilizes many estimates and variables based on trends and historical analysis. The current budget proposal for the 2018/19 school year includes increases totaling over \$1.3 million, which have been offset by adjustments in debt and savings in workers' compensation and liability insurance, purchased services, unemployment, and supplies.

As surpluses have been realized, we have continued to streamline expenses and to actively work towards tightening budget projections. Most recently, as the state struggled to finalize its budget for the current fiscal year, we worked with our town leaders to help offset the loss in state revenue. A hiring freeze was put into place, along with overtime work, and vacant non-certified positions were not filled for

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the first half of the school year. The District also recognized savings in Special Education as the unanticipated budget was not used during the first half of the school year, along with savings identified in other areas of the budget including over \$150,000 from an insurance carrier change in June. These funds were transferred by the BOE to the District's contingency account and will be used to offset the town payments for this school year.

It is important to note that there are no extra funds built into the budget to result in a surplus. As the budget is monitored through the year, a projection, whether a surplus or a deficit, is estimated at budget time. Any projected surplus funds are used to offset town payments for the new fiscal year as a revenue source in order to avoid over burdening our taxpayers, **and all year-end balances are returned to our member towns.** Region 16 does not keep any of the remaining funds unless the Board decides to utilize the state statute allowing for 1% to be set aside in a capital non-recurring account, and that requires a vote by taxpayers.

The budget is a fluid document and, even after it is passed, we continue to work towards cost savings. Each year the goal of the school budget is to maintain and expand educational opportunities for students and, at the same time, do so in a fiscally responsible manner to our taxpayers. Our goal continues to be the presentation of a budget to the community that is transparent, clearly defined, and aligned with our mission and District goals.

Should any member of the Region 16 community have questions or would like any further information, please do not hesitate to contact Michael Yamin, Superintendent of Schools, or Pamela Mangini, Director of Finance and Business Operations. We welcome the opportunity to share information with our community.

Sincerely,

A handwritten signature in blue ink that reads "Michael P. Yamin".

Michael P. Yamin, Superintendent of Schools

A handwritten signature in blue ink that reads "Pamela F. Mangini".

Pamela F. Mangini,
Director of Finance and Business Operations