



District Wide



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DISTRICT-WIDE SERVICES

The district-wide budget includes the cost of programs that are not appropriately categorized elsewhere in the budget. The employee benefits budget includes the Board of Education's costs for health benefits, workers' compensation, unemployment compensation, early retirement incentive, life and disability insurance, retirement benefits, tuition reimbursement, sick bank, Social Security and Medicare matching and related professional technical services. The district has not received information from CIRMA for Workers' Compensation insurance. Therefore, this budget includes an allowance for contractual salary increases which result in an estimated increase of \$8,060 for Workers Compensation. Additionally, the district has not received its renewal rates from the Connecticut Municipal Employee Retirement System (MERS), therefore, we are assuming a contribution rate of 11.74% of salary along with \$130 per member per quarter fee.

In FY 2019 the district will be moving all employees to the State Partnership Plan 2.0 Health Insurance Plan. This is a plan where claims from participating municipalities are pooled with all the state claims. The design of the plan is to provide participating employees PPO coverage through a State sponsored self-insured health insurance plan. By pooling large number of claims, the goal of the plan is to mitigate large spikes seen through municipal level, self-insured plans and provide rate stability.

The district anticipates saving over \$5 million dollars over the next three years by migrating its employees to the State Partnership Plan. Projected annual savings are \$1.5 million in FY 19, \$1.6 million in FY 20 and \$1.9 million in FY 21. These savings are inclusive of cost avoidance, which would have occurred had the districted remained with its HDHP through Aetna. By shifting to the State Partnership Plan the district will see a budget reduction in FY 19 of \$677,863. Fixed expenses that were previously shown in the Internal Services Fund are now shown under management services under district-wide. These items include Benefit Advisory Services (\$39,500), Affordable Care Act Compliance and Fees (\$7,150), Employee Assistant Program (EAP) (\$8,705). Other expenses included in management services as with previous years are OMNI Group 403(b) services (\$5,000) and Worker Evaluations (\$2,500). The district will retain its current dental plan, with Delta Dental and that will remain a self-insured Dental Plan.

There are concerns about the long-term solvency of the State Partnership Plan. As a result, we are taking the conservative approach of making incremental deposits into our current Internal Services Fund should the district have to revert back in the future to a self-insured HDHP plan. We are including in this budget a deposit of \$134,630. This amount is based on an anticipated FY 18 fund balance in the Internal Services fund of \$2.1 million and run-out claims (IBNR) of \$836,875, which would leave a fund balance of \$1.26 million after the run-out is paid. Assuming an aggregate stop loss in the future of 15% of claims, our current projection for claims under an HDHP plan would be \$7.1 million for FY 19 with an Aggregate Stop Loss of \$1.065 million. Re-establishing an H.S.A. deposit for employees of approximately \$537,000—spread out over four years and re-establishing stop loss insurance of approximately \$764,000—spread out over four years would create a need of \$1.4 million. If we changed back to a self-insured plan, the re-establishment of the IBNR would occur the year the switch took place; the run-out of claims upon leaving the SPP 2.0 would be borne by the SPP 2.0, resulting in approximately 1.5 months of fewer claims in the first year of a re-established HDHP.

Projected Fund Balance as of FY 18	\$2,092,495
IBNR Paid Out	\$(836,875)
Remaining Fund Balance	\$1,255,620
Projected Claims in FY 19 under an HDHP	\$7,100,000
15% Aggregate Stop Loss	\$1,065,000
Re-Establish Stop Loss (\$764,000 spread over 4 years)	\$191,000
H.S.A. Deposit (\$537,000 spread over 4 years)	\$134,250
Total Funds Set Aside	\$1,390,250
Gap in Fund Balance	\$134,630

If we were to take an approach that the State Partnership Plan 2.0 would extend past four years to five years the amount set aside would drop from \$134,630 to \$69,580 for year one given the current healthy fund balance within the Internal Services Fund. However, whenever non re-occurring sources of revenue are used to bridge a budgetary gap, once those non-re-occurring sources of revenue are exhausted a budgetary gap will develop.

Salary items are a significant part of District Wide Services.

- Salary savings from employee turnover are estimated at (-\$137,260), which assumes four certified teachers from a Masters + 30 step 15 to a Masters Step 4 and four non certified staff members from Group 2, Step 6 to Group 2 Step 1.
- Salary increases for non-represented employees are listed as \$68,100. A.
- A potential market adjustment for the Director of Pupil Services is included, which will be vacant effective 7/1/2018 of \$(18,930),
- There are no funds allocated to the staffing allowance budget for FY 2018. Should a position be required based on enrollment, the district would request a supplemental appropriation from the Town if there are no funds available within the Board’s budget for reallocation.
- The Board of Education determines salary increases for non-affiliated staff members at the end of each fiscal year, and any salary adjustments are determined after a review of performance. An amount of \$68,100 has been budgeted to fund estimated increments for the following individuals: Superintendent of Schools, Assistant Superintendent of Schools, Director of Finance and Operations, Director of Human Resources, Director of Facilities, Director of Digital Learning and Innovation, and Technology, Transportation/Energy Coordinator, Nursing Supervisor, Central Office Administrative Assistants, Finance and Operations Office Manager, Finance Coordinator, Accounts Payable/Receivable Coordinator, Payroll Coordinator, School Business Bookkeeper, IT Manager, Systems Administrator Board Certified Behavioral Analysts, and our Student Administration Data Specialist.

Several miscellaneous items should be noted. Unemployment is based on three maximum claims for 26 weeks. Tuition Reimbursement is increasing by \$5,000 based on the WTA contract; however, the actual cost depends on the number of staff members that attend school and seek reimbursement. In addition, payroll taxes and life/disability insurances will increase based on projected salaries. Finally Liability insurance is projected at \$112,340.