



District Wide



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DISTRICT-WIDE SERVICES

The FY 20 District-Wide Services 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 \$9,533 for Workers Compensation. Additionally, the district has not received its renewal rates from the Connecticut Municipal Employee Retirement System (CMERS), therefore, we are assuming a contribution rate of 12% of salary along with \$130 per member per quarter fee.

In FY 2020 the district has offered its employees an insurance buyout as a means of reducing our budgetary growth. Given that we are now fully insured through the State Partnership Plan 2.0, we have offered employees \$5,000 to waive their insurance. The FY 20 operating budget is built on the assumption of saving \$165,140 net through this waiver program. The insurance buyout savings is reflected in the health and dental insurance line item totaling \$196,505. There are corresponding payroll taxes associated with the insurance buyout, which are reflected in the Social Security Tax (\$25,420) line item and the Medicare Tax (\$5,945) line item. These two expenses bring the \$196,505 down to the total savings of \$165,140.

Health Insurance	\$7,942,669
Dental Contribution	\$352,500
Insurance Buyout	\$(196,505)
Total	\$8,098,664

The proposed FY 20 budget accounts for an increase in health insurance costs relative to FY 19. It is important to review the reasons for these cost increases, especially in light of the decision in FY 19 to move all district employees to the State Partnership Plan 2.0 Health Insurance Plan. To review, the design of the state plan is to provide participating employees PPO coverage through a state sponsored self-insured health insurance plan. The state plan pools claims from participating municipalities with all state claims. The goal of pooling large number of claims is to mitigate large spikes seen through municipal level, self-insured plans and provide rate stability. As discussed last year, the District saved \$1,568,750 from switching to the State Partnership Plan with budgetary savings of \$729,837 as the FY 19 cost was less than the FY 18 cost. However, as we predicted last year the annual increases would likely be more than the annual increases from a HDHP self-insured plan, even though the aggregate amount spent on health insurance would be less. The proposed FY 20 budget reflects the anticipated larger increase than in past years (but with a lower aggregate health insurance cost).

Medical & Dental	FY 19	FY 20	Total
HDHP Plan (net of PCS)	\$7,613,259	\$8,172,681	\$15,785,940
SPP 2.0 & Dental (net of PCS)*	\$6,044,509	\$6,876,048	\$12,920,557
Savings	\$1,568,750	\$1,296,633	\$2,865,383

*Excludes insurance buyout

By moving to the State Partnership Plan, the district saved almost \$2.9 million over the course of two fiscal years. However the annual budget increase under the State Partnership Plan represents \$831,539 vs. \$559,422 from an HDHP plan. This represents a difference of \$272,117 in growth, which represents an extra 0.53% on our budget increase. While the budget is increasing at a higher rate, the District did save almost \$2.9 million by making this transition.

Health expenses in in the FY 20 budget also reflect the fact that the population covered under our health insurance program increased. We saw a migration of employees to the State Partnership Plan who had previously elected to take insurance from a spouse.

A significant cost-saving move is that we have offered an ERIP (Early Retirement Incentive Plan) to the Weston Teachers Association (WTA). This plan is projected to save the district 72,999 in FY 20. This saving, coupled with the budget reduction from the WTA ERIP offered three years ago, allows for a total budget reduction of \$211,526. This is accomplished by seeing salary savings from replacement hires compared to the cost of those teachers retiring plus the incentive. This is shown in both the turnover savings line item and the early retirement incentive line item.

Two other cost-saving actions should be noted. In FY 19 we put out to bid our life and disability insurance. The RFP saved the district \$44,500, which is shown as a budget reduction in the FY 20 budget. We also put out to bid our benefit advisory consultant contract. This RFP saved the district \$17,000.

Salary items are a significant part of District-Wide Services.

- Salary savings from general employee turnover are estimated at (-\$41,970), which assumes two certified teachers from a Masters step 17 to a Masters Step 10. This is a more conservative approach than in previous years, given that in the last two fiscal years we have not been able to achieve our staff turnover credit due to the need to hire experienced teachers in hard-to-fill positions.
- Salary increases for non-represented employees are listed as \$82,020.
- There are no funds allocated to the staffing allowance budget for FY 2020. Should one or more additional positions 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 \$82,020 has been budgeted to fund estimated increments for the following individuals: Superintendent of Schools, Assistant Superintendent of Curriculum & Instruction, Assistant Superintendent of PPS, Director of Finance and Operations, Director of Human Resources & Internal Counsel, Director of Facilities & Security, Director of Digital Learning and Technology, Transportation Coordinator, Food Service Director, Vocational Therapist, Nursing Supervisor, Central Office Administrative Assistants, HR Specialist, Finance and Operations Office Manager, Finance Coordinator, Accounts Payable/Receivable Coordinator, Payroll & Benefits Coordinator, School Business Bookkeeper, IT Manager, District Data Coordinator, District Data Technician, and Board Certified Behavioral Analysts.

Two miscellaneous items should be noted. Payroll taxes will increase based on projected salaries and liability insurance is projected at \$116,272.