



LITTLE COMPTON TAXPAYERS ASSOCIATION

● ● NEWSLETTER ● ●

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From The Chairman (Bob Hayden, Chairman):

The state of Rhode Island is in financial trouble. It blew through \$600,000,000 of tobacco settlement money in 2002, \$100,000,000 in one-time State aid from the federal government last year, and this year faces a 192 million dollar deficit with no windfall to bail itself out. As a result of this deficit, there is no money to increase State aid to the cities and towns for education. In fact many towns face State aid cuts. The Governor believes that the problems of financing the schools can be resolved through the more efficient use of financial resources while, at the same time, maintaining a quality education. However, the Governor also believes that the annual tapping of the taxpayers for more and more has gone as far as it should be allowed to go. In our small town, for example, the School Department is now looking for more than a half million dollars over last year.

A proposal has arisen to fund Rhode Island's schools with a new statewide property tax. Make no mistake, it is just another grab for your tax dollars. The proposal has no controls on local school spending or free spending school committees... in a state that spends between \$10,000 and \$11,000+ per pupil, and pays its teachers close to the highest salaries in the nation.

The problem is in the spending. A statewide tax would be an open checkbook to pay for greater benefits and salary hikes. The teachers' unions typically whipsaw one town against another during contract negotiations. The time has come for town negotiators to get realistic and demand meaningful contributions to the teachers health insurance (now costing \$13,556 for a family plan with only a \$200 contribution by the teacher). Representative Enos has stated that he is against the statewide property tax proposal, as has Governor Carcieri. We should all remain vigilant on this proposal and fight it by contacting our legislators should it come to a vote in the legislature.

Meanwhile, our local school expenditures need to be closely monitored. Some of our expenses are clearly excessive (school busing costs, for example). This newsletter will examine this in some detail. Look for future newsletters prior to the Financial Town Meeting for further analysis of our town's spending.

Commentary (Roy Bonner, Vice-Chairman):

The School Department's budget (\$5,560,797) submitted to the Budget Committee is up by 10.7% from last year. The Town's share is up by 11.2%. When dealing with percentages, it is easy not to see that the actual dollar increase is over ONE HALF MILLION dollars! To be exact: \$536,249. This is a significant amount of money for a small town. With a population of approximately 3,500 citizens, the cost per capita of the increase is \$153 for every man, woman, and child in Little Compton. For this year's proposed School budget (\$5,104,891 Town Share), the per capita cost is \$1,460.

How to make all this intelligible and reasonable to our citizens without sounding like accountants and lawyers is a challenge! We decided to use the Teacher Union Contract and payroll records as a foundation for perspective. The contract contains the "rules" that drive the costs. The teachers' working conditions are clearly spelled out. The tasks that they DO NOT DO are also clearly delineated. There's not much in the document about the quality of education nor is there any suggestion as to the measurement of achievement or accomplishment.

The School has 35 teachers plus 8 teachers' aids. When one divides 35 into the student population, the resultant pupil/teacher ratio is 9.5 pupils per teacher. There are conditions that cause such a low ratio even when the contract sets the maximum class size at 25 students (for example, gym teachers, music teachers, subject matter certifications in the middle school). Can the number of teachers (and associated cost) be reduced without adversely affecting the curriculum? It would seem reasonable that it can be done.

In fiscal year 2003, Rhode Island had the ninth highest average teacher salary in the United States at \$51,000, the national average being \$45,800. When the base is that high, then comparisons are difficult, but we in Little Compton are well above that average salary at \$56,361 (Step 9), an hourly rate of \$46 per hour (based on 181 days at 6-hrs 50-min per day - 1,237 hours), putting the teachers in the company of the highest paid teachers in the United States. Add in the healthcare and pension costs and the taxpayers pay an average cost per teacher of \$70,000 (\$57 per hour).

There is the opinion that any reduction of teachers salaries or any tightening of their generous benefit package results in defective education of children. There is absolutely no evidence of this in any of the jurisdictions in the United States that spend considerably less on teachers than Rhode Island and achieve superior results.

At present, the School has requested permission to exceed the State imposed 5.5% cap because of an “emergency”. The “emergency” consists of the requirement to buy a new bus and the additional tuition for increased enrollment at Portsmouth High School. This request challenges the only law on the books that is designed to protect the taxpayer from runaway spending. To avoid exceeding the spending cap, a solution that has not been pursued is to open up the contracts of school employees and negotiate a greater share of the healthcare premiums which would be paid by the employee. The rising costs of health benefits have largely created this crisis. The dental insurance cost in the school budget is approximately \$47,456. A 30% share of the school’s healthcare costs is approximately \$164,979. If the teachers and staff were willing to drop the dental coverage and pay for 30% of their healthcare, the savings would be \$212,435 which is, coincidentally, about equal to the amount of the emergency request. These savings would solve the budget “emergency” by having the teachers and staff contributing a fair share to their own benefit packages as is done in most other jobs today. Would the teachers and staff be willing to make these concessions to avoid layoffs? Now into the case for a more efficient school operation.

Teacher Contract (*Roger Lord, Treasurer*): A considerable amount of interest was shown in our last Newsletter regarding the contract between the teachers union (Little Compton Teachers Association) and the Town. The following is a summary of the salient features of the contract that is currently in its third and final year (a new contract will soon be negotiated). It is the primary driver of the school budget. Is the contract overly generous? About right? Too stingy? You be the judge.

Work Day and Work Load

- School day is 6 hours, 50 minutes
- Teachers report 15 min before , stay 15 min after
- Teachers allowed 3 hrs 45 min prep time per week
- Teacher School Year is 184 days including three professional development days (3 @ \$175 per day)
- Teachers do not cover for each other during absences
- Teachers have no duties during lunch (Aides do it)
- Teachers do not handle student insurance money
- Teachers in Grades 5-8 do not collect lunch money
- Teachers do not do typing, copying, clerical duties

Class Size

- Grades K-1, 24 students
- Grades 2-8, 25 students
- Music Ensemble & Phys Ed may exceed size
- If 2 or more students are added in 1st quarter, class must be split into 2 classes by the 3rd quarter

Salaries

- Range: 10 steps (Step 1=\$32,708, Step 10=\$59,645)
- Salary steps achieved every year automatically
Note: The average is just above Step 9
- Additional annual salary
 - \$1,200 for 30 Grad Hours over Bachelors
 - \$1,902 for Masters Degree
 - \$2,209 for 30 Grad Hours over Masters
- Pay Raises
 - 3.2% 2002-2003
 - 3.7% 2003-2004
 - 3.8% 2004-2005
- Salary paid with 26 paychecks per year
- 21 biweekly paychecks (September thru June)
- 5-paycheck lump sum on or before June 30th
- Extra Duties for additional pay
 - Detention, \$15/hour
 - Coaches, \$25/hour
 - Extracurricular Activities, \$15/hour
 - Summer/After School Projects, \$20/hour
 - Grade Advisors, \$1,300 per year
 - Head Teacher, \$2,500 per year

Health Insurance: The current health care plan providers under the contract are Blue Cross and Delta Dental. Blue Cross provides two programs: Classic and Healthmate both with Single and Family options as does Delta Dental. The annual charges for the four plans are:

<u>Plan</u>	<u>Medical</u>	<u>Dental</u>	<u>Total</u>
Classic Single	\$5,066	\$306	\$5,372
Classic Family	\$12,547	\$1,009	\$13,556
Healthmate Single	\$4,613	\$306	\$4,919
Healthmate Family	\$11,450	\$1,009	\$12,459

The teachers pay \$200 and the Town pays the rest. The contract calls for a joint Union/Town feasibility study into a lower cost alternative, but nothing has been said of this study and nothing is binding unless mutually agreed to by both parties.

The following describes the plan:

- Provided to teachers for \$200 who work at least 3 days per week
- Semi-private room in hospitals
- Full obstetrical and medical emergency coverage with a \$25 co-pay
- Major Medical, \$1 Million max with \$100 deductible
- Teachers paid \$1,500 if they waive the insurance
- Delta Dental 3rd Level (individual) or 4th level (family)
- Retired teachers can stay under the Group Plan at their own expense.

Leaves of Absence

- 2 personal days per year (cannot be taken the day before or the day after a holiday or vacation period)
- 5 days for death in immediate family from grand parents to grand children plus 1 funeral day for others
- 15 sick days per year accumulating to 200 days max (the School can extend this without loss of pay)
- Illnesses or maternity leave that exhaust accumulated leave result in a leave of absence without pay
- Sick days can be used for family emergencies
- Sabbatical at 1/2 pay for 1-year
- Parental Leave without pay for up to 2-years
- Peace Corps or Vista for up to 2-years without pay
- Unused sick days paid to teacher at retirement according to a longevity schedule

Miscellaneous

- Teachers receive a paid \$50,000 life insurance policy
- Substitute teachers
 - After 30 consecutive days, subs are paid in accordance with the 10-step salary scale
 - After 135 consecutive days, the sub receives full benefits
 - If hired before a school year for an entire school year, the sub gets full pay & benefits
- Teachers pay 7.15% of their salary for their pension

Dues: Teachers pay dues to the Little Compton Teachers Association, the Rhode Island Education Association, and the National Education Association (NEA).

Summary: There are other provisions in the contract for grievances, seniority, contract negotiation, and more. The details are of little significance for the purposes of this newsletter. To put things in perspective, a Step-10 teacher can expect a compensation package as follows:

Salary	\$59,645
Health Insurance	\$13,556
User Contribution	-\$200
Life Insurance	<u>\$225</u>

Total: *\$73,226

*Cost to the Town

Additional compensation is given for graduate school hours, detention, coaching, extracurricular activities, grade advising, performing Head Teacher duties, and after school or summer projects.

Transportation (*Contributing Editors, LCTA*):

The cost for the bus transportation of our students is the highest in the state on a per pupil basis. For a comparison you can download data from “operations” for the various towns at the RI Department of Education’s web site:

http://www.ridoe.net/ride_insite/2002/schlist.htm

Here are some per pupil costs from 2002: Little Compton \$754, Tiverton \$285, Portsmouth \$385, Narragansett \$470, Barrington \$265, Bristol/Warren \$302, Jamestown \$233. The State average is \$369 per pupil. It is interesting to note that of the schools listed above, the two with the highest costs, Little Compton and Narragansett still own and manage their own buses. The budgeted per pupil cost for the coming year in Little Compton is a whopping **\$879 per pupil!**

Why does Little Compton spend more than any town in the state to bus their students? The first answer that may come to mind is that we have to bus the high school kids out of town. Jamestown is in the same boat; they have a designated high school out of town (North Kingstown). So we compared the two towns. What we found from the 2002/03 data was that Jamestown buses 77% more students, 37% more miles with 62% more buses for **ONE HALF THE COST** of Little Compton. Something is definitely wrong.

We are not likely to find out what the problem is any time soon. A Request For Proposals (RFP) was recently issued by the School to look at potentially less expensive solutions. The RFP solicited bids based on the current model of busing. The proposed bids showed some savings but did not approach the lower costs that other towns enjoy. We have requested the School Committee conduct an independent study of the transportation requirements for the Little Compton School Department. The intent of the study would be to determine why Little Compton’s transportation costs are the highest in the State and to identify procedural changes that could be implemented to reduce transportation costs. Laidlaw has volunteered to review this process for no cost.

Once this study is completed, a new RFP for busing must be sent out by the School Committee. The specifications in the RFP should be to provide transportation in a cost-effective way as described in the independent study. Perhaps we could achieve substantial savings in

transportation costs. If we simply met the state average the cost savings would be **\$243,000** for the coming year. This figure is almost half of the projected budget growth for this year! Realizing those savings would have prevented the perceived need to exceed the cap. We can only hope to realize these savings, since we will never know unless the School Committee supports our initiative to perform an independent study.

The LCTA is exasperated with this situation since the busing issue has been lingering for months with little action despite the large increase in the requested budget. With issues like this left hanging, the credibility of the school budget is in doubt. The School Committee resists every effort to control costs by not making the tough decisions to challenge the cultural and political constructs at the school. The busing costs should have been an obvious concern for the School Committee since it does not directly affect the curriculum or the syllabus.

Health Insurance: *(Roger Lord, Treasurer):*

The teachers pay \$200 per year for their health insurance. This is generally not in line with the private sector where employees pay approximately 30% of their insurance premium and pay extra for Delta Dental. Some must also pay a personal deduction of approximately \$250 per person per year before the insurer pays. The taxpayers pay the following for medical insurance at the School:

<u>Plan</u>	<u>Users</u>	<u>Cost Each</u>	<u>Total</u>
Classic Single	4	\$5,066	\$20,264
Classic Family	25	\$12,547	\$313,675
Healthmate Single	6	\$4,613	\$27,678
Healthmate Family	19	\$11,450	\$217,550
	54		\$579,167

If all users were to use Healthmate, the table would change to the following:

<u>Plan</u>	<u>Users</u>	<u>Cost Each</u>	<u>Total</u>
Healthmate Single	10	\$4,613	\$46,130
Healthmate Family	44	\$11,450	\$503,800
	54		\$549,930

Moving all teachers/users to Healthmate results in a savings of \$29,237.

And if, in addition, all teachers/users paid 30% for their medical insurance, the Town would see an additional savings of \$164,979.

Delta Dental costs the taxpayers the following amount:

<u>Plan</u>	<u>Users</u>	<u>Cost Each</u>	<u>Total</u>
Delta Dental Single	10	\$306	\$3,060
Delta Dental Family	44	\$1,009	\$44,396
	54		\$47,456

If Delta Dental is dropped, that's another \$47,456 saved.

Total savings: \$29,237 + \$164,979 + \$47,456 = \$241,672

Additional savings could be obtained by incorporating a higher co-pay for every time the health plan is used. This would have the effect of lowering the per-user rate on the part of the health care provider.

Special Needs Students *(Roy Bonner, Vice-Chairman):* There are 83 students classified as “Special Needs” in the Little Compton School system. This figure, from "Rhode Island Kids Count", is 19% of the student population (<http://www.rikidscount.org>). The total for Rhode Island is 21%. Governor Carcieri recently commented that we have the highest special needs percentage in the nation and something is definitely wrong. The Providence Journal reported that the national average is 11%. The reasons for such a high percentage in the Little Compton School System are unknown. The number is alarming since it drives part of the staffing at the school which currently employs 35 teachers! The confidentiality surrounding these special students is very tight and, therefore, making judgments on the validity of such classifications is almost impossible. It would seem to us that an outside independent review by those without a vested interest would be more than appropriate.

The Governor’s observation is notable in that it shines the light of scrutiny on a set of practices that have burdened our school budgets with enormous cost and significant staffing requirements.

While there are school districts in the state with significant problems that result in children with special needs it is difficult to understand how these pathologies could affect a community such as Little Compton to the degree that the figures suggest. It is easy to see an opportunity for abuse by unnecessarily classifying students as special needs with resultant staff increases.

We believe that a more rigorous standard for these assignments would result in a requirement for fewer teachers. The Governor is correct; there is something wrong -- very wrong!

An Evening With Rep. Enos *(Roy Bonner, Vice-Chairman):* A number of months ago Mr. Bill Enos our representative in the Rhode Island General Assembly asked to speak with the LCTA. We finally were able to respond to his request on the 25th of March. I would characterize the meeting as wide ranging, frank and forthcoming. The LCTA had a number of issues to discuss, so did Mr. Enos. I’ll summarize the salient points of that meeting because all of the issues should be of interest to all our members and taxpayers in general.

Mr. Enos felt that he had been unfairly treated in one of our newsletters. The issue was his vote to override the Governor's veto of last year's state budget. Since we didn't publish the reasons for his vote, he felt our statements lacked balance. We felt of course that Representative Enos should have supported the Governor's veto. He brought to the discussion some other things that we had reportedly said that turned out to be hearsay and anecdotal, which we clarified. It was pointed out that the budget that was vetoed by the Governor had programs that were growing to enormous size for such a small state. The modest health insurance social program called; RICare that was a few million dollars at the start, just a few short years ago was over 229 million last year. He pointed out that this year the cost has grown to 440 million dollars. He pointed out that the State has become a magnet to non-residents drawing them in to collect the benefits of the program. It was suggested that a control of those costs is badly needed. It was also suggested that to qualify for the program there should be proof of residency in Rhode Island for at least 5 years. Mr. Enos rejected the suggestion that the Governor could be given the power of a line item veto.

A concern we expressed was that the State Legislature seemed to always be involved in ethical lapses that have victimized the states citizens. These lapses have also caused citizens to be cynical of the fairness of our state government. Since there has been extensive coverage of these most recent lapses, Mr. Enos shared with us some of the details of the Senator Irons problem. We expressed the standard that ethics demands, avoidance of any conflicts of interest but further, to avoid the appearance of conflict. This led to a discussion of Mr. Enos's full time employment at Harmony Hill School. A school supported by federal, private and robust state grants. A fine line of ethical judgment has to be made. As a member of the legislative team his association with that institution raises questions of his independence and the freedom of his peers to act without bias on any financial support or grants to that institution. Secondly his duties in Development for that institution require involvement in raising funds. Given his legislative function there could be a problem for those approached since they may have dealings with or could benefit from, a legislative association. He assured us that in his 17 years as a legislator he had been careful to avoid the pitfalls of ethical lapses. He felt the present situation did not constitute a problem. We agreed to disagree on this issue.

We asked Mr. Enos if he would sponsor a bill in the legislature that would give Little Compton the ability to submit to the citizens for a vote, the question of union contracts if the union had refused the town's best offer. This is a "let the voters decide" issue since it is their money that we are spending. We asked for this power in

substitution for binding arbitration. Our foundation for that was the great cost of arbitration and our inability to say no. His answer was no. He further explained that this was a collective bargaining issue not likely to find any support in the legislature. We explained our frustration with the ever rising cost of public employee salaries and benefits. He was not helpful.

We discussed the pending request by the school to exceed the cap. He said he would request that Mr. Almonte, the State Auditor General address the Town Council to acquaint them with the mechanisms provided to file for "emergency" status and thus exceed the cap. Mr. Miato, of the Town Council has been trying to eliminate the cap by legislative means at the state level. As yet, that has not happened. We find that approach to be not in the best interests of the taxpayers because it loosens the control on spending and defeats the purpose for the cap.

Mr. Enos shared with us his belief that property taxes are regressive in nature and using the property tax to support the schools was a growing problem. He suggested that a better approach was a town income tax paid by the residents of the town. He felt that this approach would lower the property tax. We suggested that Little Compton has many expensive homes but the owners do not live in Little Compton. Therefore any assumption that would suggest an income tax approach that would produce a significant revenue stream is ill founded. It would be burdensome to the majority of the citizens of Little Compton that have limited income sources. Our discussion then turned to the proposed state wide property tax. The LCTA is opposed to such a tax without the ability to control the demands of public employee unions. Mr. Enos indicated that he does not support the state wide property tax approach presently being discussed.

Finally, Mr. Enos felt that the Town had gone too far in reducing the budget at last year's financial town meeting. While we disagreed and provided data and analysis to reinforce our belief he was not persuaded. He did comment that this year, "You're not going to get away with it!"

We found the meeting to be useful and wide ranging. The exchanges were candid, open, spirited and fulsome. The question we have, "Is Mr. Enos a solution to the problem of ever growing costs in the public sector or is he part of the problem?" The LCTA thinks he is part of the problem.

Clarification: In the previous issue of the Taxpayer's Association Newsletter, we analyzed and reported on the Police and Fire salaries and benefits. The figures reported were called "base" salary. They were not base salary. They were W2 total compensation. We also calculated the pension cost on the total compensation at 16%. The pension is calculated at 16% only on base salary and not total compensation.

WANTED!

A parliamentarian with experience to assist the Taxpayers Association in the coming budget meetings. Please reply by letter or email (TAXPAYERS@Cox.net).

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