WHY AMHERST SCHOOL DISTRICT **COSTS** ARE SO HIGH AND WHAT TO DO ABOUT THEM:

MAIN REPORT

A Report from the ASD Ways & Means Committee

JANUARY 2023

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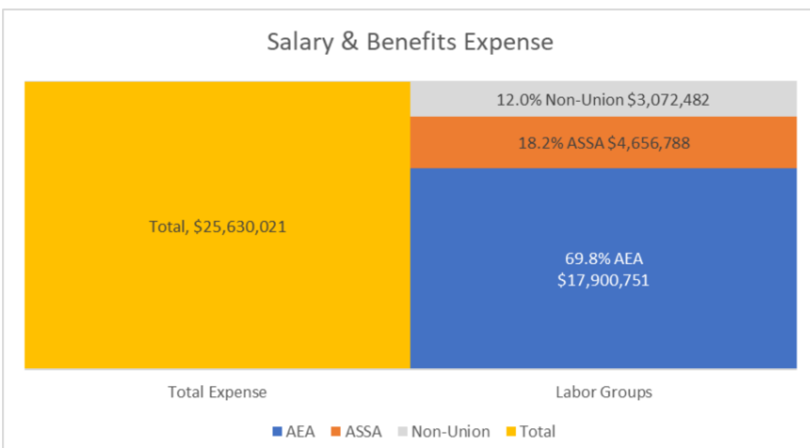
SECTION 1: INTRODUCTION

As we pointed out in our *Assessing ASD Educational Value* report and its related *Executive Summary*, some of our peer schools consistently outperform the Amherst School District (ASD) schools academically. What's more, they also consistently outperform ASD in cost efficiency. ASD's closest peer districts, Bedford, Hollis, and Brookline, consistently outperform ASD in both categories. Their proficiency scores are often 10 to 20 points higher than ours, and their All-In CPP costs are considerably lower. It appears that these communities enjoy the best of both worlds when it comes to educational outcomes and the costs invested to achieve them.

This report focuses on the financial side of the educational value equation, the high educational costs we as a community endure, why, and what steps might be taken to reign in out-of-balance costs. There are many reasons why our costs are not aligned with our peers, and responsibility for this situation is shared among all Amherst constituents – school boards, school/district administration, unions, parents, and voters. This report focuses on what needs to be done to slow the rate of cost growth and, ideally, to reduce overall costs considerably.

At a minimum, we need to review the drivers of ASD costs that have contributed to this significant financial imbalance to determine where costs can be reduced. As we pointed out, the highest costs in our school budgets are personnel related. ASD is spending over $25 million, or 79% of its budget, on people this fiscal year. A lot of these costs are driven by the collective bargaining agreement (CBA) that the schools have with the Amherst Education Association teachers' union – the AEA. There is also a CBA with the ASD support staff (ASSA). Overall, the AEA agreement drives 70% of personnel costs; the ASSA agreement drives 18%, and non-union personnel drive 12% of costs.



Not only do these CBA agreements drive the highest costs in our budgets, once such an agreement is approved by the voters, it becomes a contractual obligation. That means those costs must also be built into ensuing default budgets as well as proposed budgets, in effect, perpetuating those costs indefinitely unless they are changed through negotiations between the unions and school board.

The AEA CBA stipulates that,

> *"This Agreement shall not be changed or altered unless the change or alteration has been agreed to and evidenced in writing by the parties hereto."*

This means that changes or rollbacks to the contract can only occur if the union and the Amherst School Board agree to them via the negotiations process.

Also, many of the costs housed in the CBA's are driven by the salary schedule. For example, an increase in salary increases associated benefits as well as mandated federal and state employee expenses such as FICA, Medicare, Unemployment Insurance, Workman's Compensation, as well as retirement obligations borne by the town. Therefore, it is critical that voters understand the long-term financial impact of their votes on both the AEA and ASSA agreements, both of which are being renegotiated now.

Several cost categories represent the high-cost drivers for ASD budgets. These include:

- Budget growth,
- Enrollment changes and staffing levels,
- Salary schedules,
- Health/medical Insurance,
- Retirement/longevity incentives,
- Performance evaluations and reductions in force/rehiring practices.

We look at each of these below.

SECTION 2: STRIVING FOR FINANCIAL PARITY

On an All-In Cost-Per-Pupil basis (everything we spend on educating each pupil), our peer schools better educate their students for less money.

Our All-In CPP is $22.5K, whereas Hollis's is $20K, Brookline's is $16.8K, and Bedford's is $16K.

ASD's current budget is around $31.5 million. That means:

- If ASD's All-In CPP were equal to Hollis's, our budget would be $27.2 million or about $4.3 million *less* than it is now.

- If ASD's All-In CPP were equal to Brookline's, our budget would be $22.8 million or about $8.7 million *les*s than it is now.

- If ASD's All-In CPP were equal to Bedford's, our budget would be $21.8 million or about $9.8 million *less* than it is now.

Given these harsh fiscal realities, it's quite challenging for us to be confronting a proposed budget that is $1million *more* than our current budget.

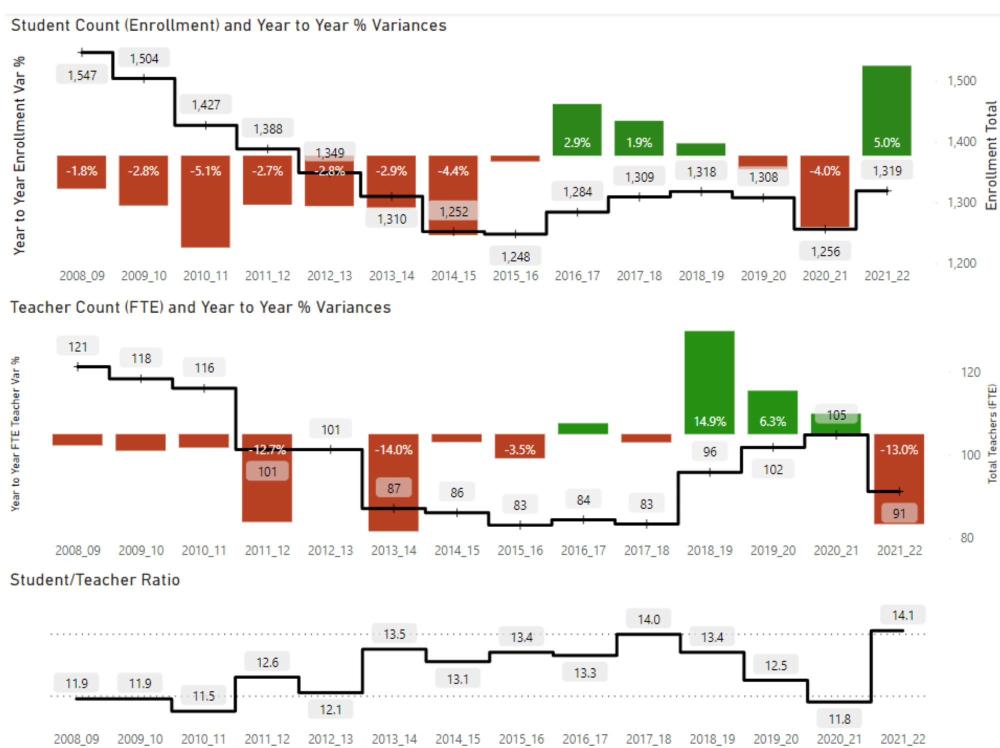
We believe that Amherst has ended up in this situation because the normal checks and balances among school board, administration, and staff have faltered over the years. There is an expectation that school boards will set budgets based not only on what is best for students but what is reasonable and sustainable for taxpayers. Rather than striking this balance, successive school boards have deferred to supporting most of what school administration has asked for. As a result, successive higher operating budgets coupled with unrelenting increases from bargaining agreements have led to what we believe are undesirable and unsustainable spending levels.

While much of the ASD school budgets are now driven by CBA's, there are still millions of budget dollars that are not. Until CBA's can be reined in, these other budget items should be trimmed wherever possible. However, we believe it will not be possible to bring our costs into parity with peer schools in a balanced way *unless* the CBA's get renegotiated to more sustainable and sensible levels and other non-union personnel costs are rebalanced, as well.

SECTION 3: ASD STUDENT ENROLLMENT TRENDS

Across the country, state, and region, enrollment has been on a long-term decline. According to the 2020 census and actual birth data, recent enrollment increases have come from family migration, not births.

As shown in the chart below, ASD staffing levels have not aligned smoothly with enrollment changes. We have evolved from a student/teacher ratio of 11.9 in 2008-09 to 14.1 in 2021-22. This student/teacher ratio requires a higher level of staffing than other peer schools.



SECTION 4: ANALYSIS OF THE AEA COLLECTIVE BARGAINING AGREEMENT

Article 2.2 of the AEA agreement stipulates that,

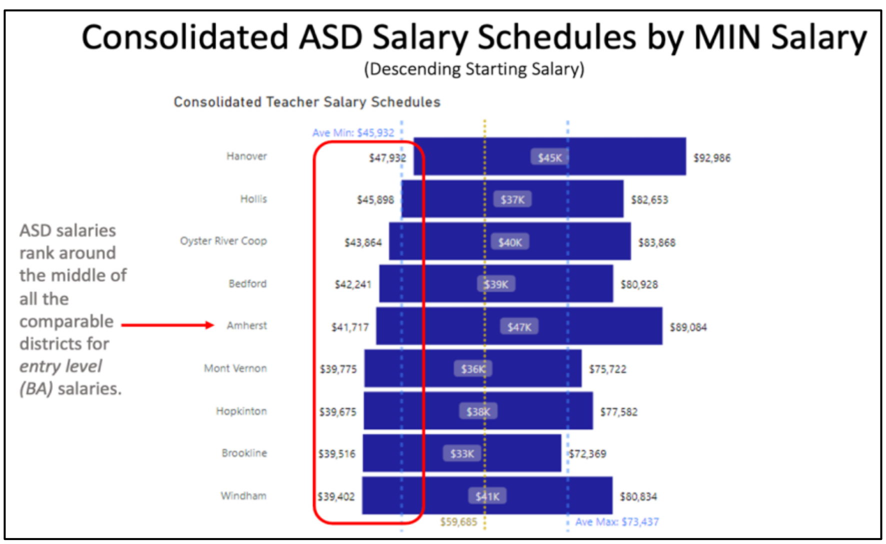
> *"The term "teacher" is defined as all regularly salaried classroom teachers, librarians, speech therapists, occupational therapists, school psychologists, guidance counselors and nurses. Unless otherwise indicated, the employees in the above unit will be hereinafter referred to as "teachers".*

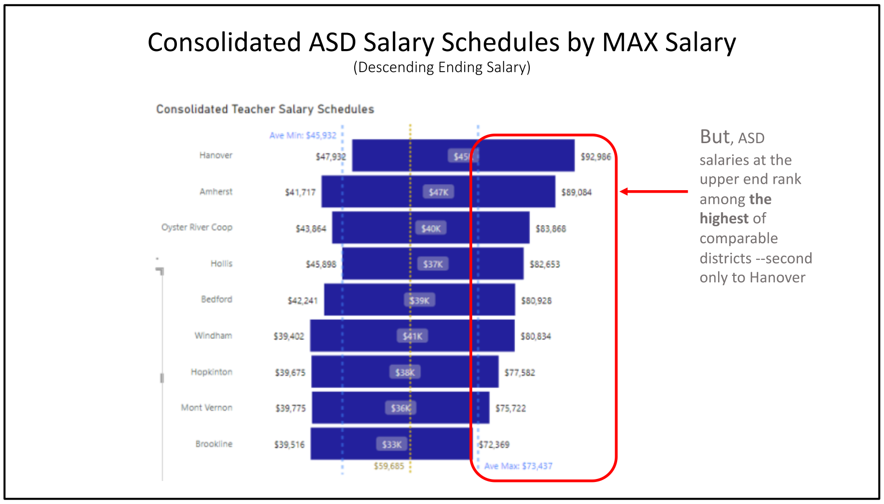
This means that everyone serving in any of those capacities is covered under the AEA agreement, and their salary schedules, professional development costs, medical coverage, sick leave, and retirement are driven by the terms of the agreement.

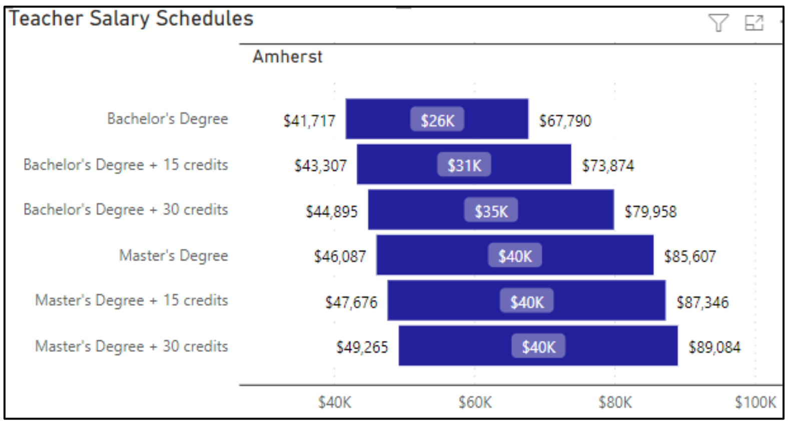
AEA Salary Schedules

We have used the 2021-2022 school year as a snapshot in time for salary comparisons, as it was the latest salary schedule available that included publicly available data on the Hanover/Dresden District, which we have included because of its excellent educational outcomes and the fact that it offers the highest salary scale in New Hampshire. The 2021-2022 school year also appeared to be the most common year contained within the contracts of the other eight districts used for comparison.

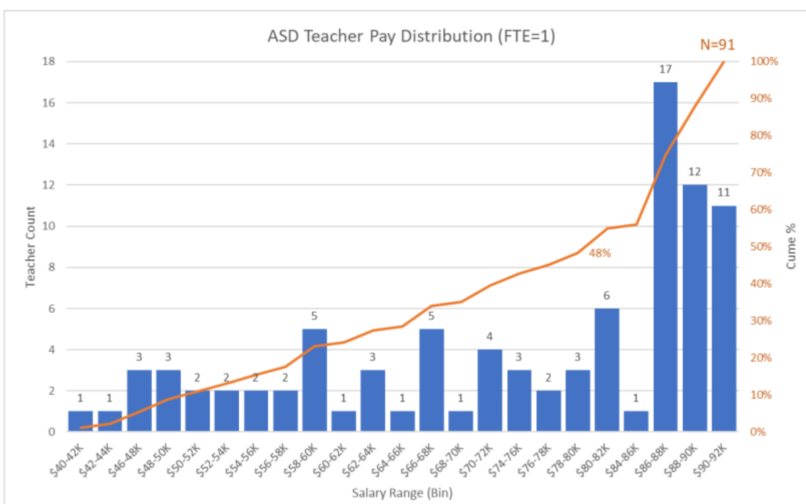
It is important to note that salary increases are prescribed in the AEA contract through a series of steps and grades within each step. Increases occur automatically based on longevity. These increases are not tied to teacher or student performance but rather how long a teacher has served in the district.







As shown in the graph below, the distribution of teacher pay is skewed to the high end – with 47 out of 91 teachers (51.6%) being paid at the top of their salary schedules.



Over and above salaries, the CBA also provides additional ways for teachers to earn above their salary level via longevity bonuses, insurance buyouts, stipends, and professional development compensation. This combines to make ASD teacher compensation quite attractive compared to other communities.

AEA Medical and Health Insurance

Rising health care costs are another significant driver of expenditures within a school budget. The only thing predictable about these costs is that they will continue to increase. Predicting the percentage increase health insurers will charge year over year is difficult work. The only way to begin to control these costs is through the contract negotiations process and the resulting CBA's.

Below are the medical insurance cost splits as designated in the 2018-22 AEA agreement:

> *"For teachers who select the ABS HMO plan, the district and the teacher shall pay the following percentages toward the premiums:*

ABS HMO	2018-19	2019-20	2020-21	2021-22
	District/Teacher	District/Teacher	District/Teacher	District/Teacher
Single	93% *I* 7%	92.5% / 7.5%	92%/ 8%	91.5%/ 8.5%
2-Person	88% *I* 12%	87.5% / 12.s%	87%/ 13%	86.5% / 13.5%
Family	88% *I* 12%	87.5% / 12.s%	87%/ 13%	86.5%/13.5%

> *"For teachers who select the Blue Choice BC2T10 POS plan, the district and the teacher shall pay the following percentages toward the premiums:*

BC2T10 POS	2018-19	2019-20	2020-21	2021-22
	District/Teacher	District/Teacher	District/Teacher	District/Teacher
Single	89.5% / 10.s%	87%/ 13%	86.25% / 13.75%	85.5% / 14.5%
2-Person	84.5% /15.5%	82%/ 18%	81.25% / 18.75%	80.5% /19.5%
Family	84.5% / 1s.s%	82%/ 18%	81.25% / 18.75%	80.5% / 19.5%

Of the eight districts we referenced in the salary schedules above, three offer insurance plans where the district pays 90% or more of the premium. Those are: Amherst (single plan only), Hanover (all plans), and Bedford (all plans).

Analyzing health insurance plans is a complex endeavor. Plans being offered from one district to another contain multiple variables in need of consideration. While ASD paid over 90% of a single plan, the percentages paid out for two-person and family plans may be in-line and comparable to those districts that do not pay 90% or more.

AEA Retirement/Longevity Bonuses

Most school districts offer some sort of incentive to retain their veteran staff. Many of these incentives take the form of one or more payouts when an employee reaches a specific number of years of service. A significant portion of these annual expenditures are outlined in Article 14 of the AEA agreement.

Article 14.1

A one-time salary adjustment for retiring teachers of the Amherst School District will be made in the amount of 1/189 of the teacher's final year's salary (including longevity) for each year of full-time equivalent employment in the Amherst School District, payable in one lump sum in the final year of employment.

Example: 1/189 x $80,000 final salary x 20 years of service = **$8,466** payment

Article 14.2

A retiring teacher will receive an initial payment in the amount of **$1,500** following retirement, and a second payment of **$1,500** in the second school year following the teacher's retirement.

Article 14.3

Retirement Planning Incentive. For employees vested in the New Hampshire Retirement System before January 1, 2012 or for employees not vested in the New Hampshire Retirement System before January 1, 2012 but who elect section 14.5{8)-1, the Board agrees to contribute an amount equal to 15% of a teacher's contribution to a payroll deducted tax sheltered annuity, not to exceed **$500**.

Article 14.4

A percentage of the retiring teacher's final salary will be added to the teacher's regular salary. For teachers with up to the equivalent of 25 years of full-time teaching in Amherst, the sum of 50% of the retiring teacher's final salary will be added. Teachers with more than the equivalent of 25 years of full-time teaching in Amherst will get an additional 2% for every year of teaching experience up to a maximum of seventy percent (70%).

Article 14.4 Years Percent Payment

Years	Percent Payment
26	52
27	54
28	56
29	58
30	60
31	62
32	64
33	66
34	68
35	70

Article 14.5

To better manage this retirement incentive, ASD negotiated Article 14.5 which involves the use of a veteran's salary table that provides a significant pay increase to the staff member in their last year before retirement.

Teachers have several complicated options to choose from within Article 14.5 to include matching contributions to 403(b) or 457 plan accounts, health insurance credits, etc.

Article 14.4 is to be phased out over time and replaced by article 14.5, which while intended to reduce the total payouts over time appears to be very costly itself.

Here are three examples of how benefits aggregate into high bonuses.

Retirement Compensation Scenario under Article 14.4

A teacher with a Masters degree and 25 years of experience would receive the following approximate amounts:

14.1 Example: 1/189 x $88,000 final salary x 25 years of service = **$11,640**

14.2 $1,500 in the first year after retirement and $1500 in the second year for a total of **$3,000**

14.3 Matching contributions spread over the years of service not to exceed $500 x 17= **$8,500**

14.4 50% x $88,000 = **$44,000**

Accumulated Sick Time 90 days X (35%$503 per diem rate) = **$15,844**

Total compensation for retirement = **$82,984**

$74,484 of this total would bump up this teacher's final year's salary that counts towards their retirement pension from **$88,000** to **$162,000.**

Retirement Compensation Scenario under Article 14.5 Option 1

14.1 Example: 1/189 x $122,207 x 25 years of service = **$15,276**

14.2 $1500 in the first year after retirement and $1500 in the second year for a total of **$3,000**

14.3 Matching contributions spread over the years of service not to exceed $500 x 25 = **$12,500**

14.5 Moved from the regular salary schedule at $88,000 to the veteran's salary schedule at $122,207 which would be an increase of **$34,207.**

Accumulated sick time Accumulated Sick Time 90 days X (35%$611 per diem rate) = **$19,247**

Total compensation for retirement = $**84,230**

The bump in this teacher's final year's salary that counts towards their retirement pension would go from $**88,000** to $**122,207.**

Retirement Compensation Scenario under Article 14.5 Option 2

14.1 Example: 1/189 x $88,000 x 25 years of service = **$11,000**

14.2 $1500 in the first year after retirement and $1500 in the second year for a total of **$3000**

14.3 (See 14.5)

14.5 The teacher remains on the regular salary schedule at $**88,000**

A health insurance credit after 12 years starting at 20% if the district offered HMO plan. Example, district plans can cost upwards of $32,000. 20% of that is $6400. If a teacher has 25 years of service, they would be eligible for 25 x $6400 = $160,000 for a health insurance credit upon retirement. Because the credit cannot exceed four times the amount of that year's premium, the credit would be reduced to **$120,000.** At today's rates that is at least four full years of an expensive two-person plan, and many more years if someone were on Medicare.

Accumulated sick time Accumulated Sick Time 90 days X (35%$440 per diem rate) = **$13,860.**

Total compensation for retirement = **$147,860**

The bump in this teacher's final year's salary that counts towards their retirement pension would go from $**88,000** to $**102,000**

The benefit of option 2 is that the staff member gets a significant credit worth many years of health insurance. The taxpayer pays less to their overall pension throughout retirement as their final year is raised only by their sick time payout.

Amherst taxpayers have been paying considerable amounts of money for decades as an incentive for people to retire. The table below shows what has been paid out over the past several years.

AEA 5 Year Payout Costs Under 14.4 & 14.5

AEA Retirees	FY18 Retiree Cost	FY19 Retiree Cost	FY20 Retiree Cost	FY21 Retiree Costs	FY22 Retiree Costs
Retiree 1	$4,659.93	$33,425.27	$6,267.48	$82,934.09	$14,979.16
Retiree 2	$34,861.54	$19,967.25	$97,373.80		$32,729.09
Retiree 3	$30,628.17	$89,442.19	$74,155.97		$31,012.69
Retiree 4	$21,905.38	$75,336.69	$74,741.02		$74,927.41
Retiree 5	$22,301.63	$57,641.27	$82,424.11		$67,854.55
Retiree 6	$74,333.18	$95,012.40	$88,885.20		$40,057.54
Retiree 7	$73,635.50		$71,103.24		$94,149.20
Retiree 8	$85,161.89		$55,933.14		
Retiree 9	$86,731.35				
	$434,218.57	$370,825.07	$550,883.96	$82,934.09	$355,709.64

One version of Amherst's recalled history says that the retirement incentive bonus was created around the year 2000 to motivate some retirement-age teachers to consider retiring sooner. Unfortunately, these provisions found their way into the CBA with no end date associated with what was supposed to be a short-term offer. As a result, taxpayers have paid millions of dollars in taxes over the past decades and will continue to do so until 14.4 runs out of grandfathered retirees or until the CBA is reworked. In what amounts to double jeopardy for taxpayers, the retirement bonuses count towards the retirement amount a teacher qualifies for, thus boosting the amount of money that accrues to the retiring teacher. Since the state has continued to pull back on the amount it funds teacher retirement, more of the tax burden to pay those retirement funds falls back upon Amherst taxpayers.

The unintended consequence of this may have been to *deter* teachers from retiring until their turn in line for the bonus comes up. Typically, four teachers per year qualify for this bonus, although the School Board sometimes awards more bonuses as the chart above shows. This disincentive to retire slows the normal rate of retirement as well as the process of replacing retirees with younger, lower-paid teachers.

While ASD provides a very generous benefit of this type, it is likely not the absolute best in the state of New Hampshire. Hanover/Dresden offers retirees who reach specific longevity milestones a 150% payout of the lowest step/track on the salary scale upon retirement. Additionally, the district offers to pay 90% of the premium for a two-person plan for up to seven years until the retiree is eligible for Medicare.

That said, Hanover's educational performance is significantly higher than Amherst's. That is, their elementary schools achieve 75% and 82% proficiency in math, whereas ASD's is 65%. Their middle school achieves 64% math proficiency while ASD achieves 43%. Their ELA proficiency scores are 83% and 88%, while ours is 61%. And their middle school ELA proficiency scores are 74% while ours is 41%. Yet we compensate our teachers pretty much at the same level as they do theirs.

Defining Success Through Longevity Instead of Student Outcomes

The driving factor for compensation in the ASD CBA is longevity – not on measures of how well students are learning and performing. The underlying concept assumes that, if you persist as a teacher, you must be a good teacher as practice makes perfect. So, almost all the aspects of compensation in the AEA CBA are based on time served, not on educational outcomes achieved by the students served.

As part of a comprehensive growth model for staff, a robust, thorough, comprehensive performance evaluation system that also accounts for *student performance* is essential. There are now ways to assess individual teacher performance by assessing the performance of his/her students, for example using something like NWEA data. Until compensation is measured at least in part against student performance, CBA's may continue to reflect the focus on longevity.

Even prescribed processes in the CBA governing layoffs reinforce the focus on longevity. Those to be laid off first include the last hired – likely younger, lower paid teachers. Those to be brought back first are the longest serving teachers. So, the process protects the longest serving, highest-paid teachers.

Given this interconnected focus on longevity, it is not simply a matter of reducing the costs associated with various CBA articles. If educational outcomes are ever to become linked with compensation, the very fundamentals of the CBA need to be recalibrated.

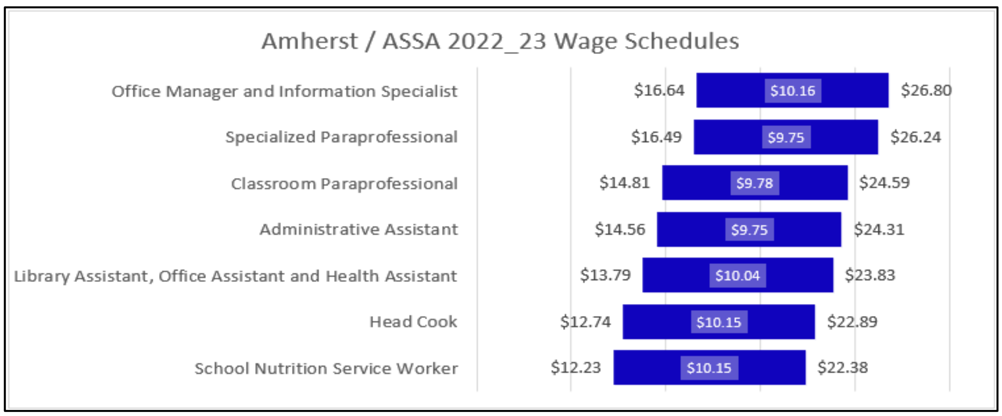
SECTION 5: ANALYSIS OF THE ASSA COLLECTIVE BARGAINING AGREEMENT

Article 2.3 of the ASSA agreement stipulates that:

> *The term "Educational Support Staff" means all office managers, administrative assistants, information specialists, office assistants, specialized paraprofessionals, paraprofessionals, head cooks, health assistants, library assistants and school nutrition service workers of the Amherst School District.*

This means that everyone serving in any of those capacities is covered under the ASSA agreement, and their salary schedules, professional development costs, medical coverage, sick leave, and retirement are driven by the terms of the agreement.

ASSA Salary Schedules



ASSA Medical and Health Insurance

Staff covered under this agreement may choose from the following health plans as listed below:

(A) The Anthem Access Blue HMO plan (AB5(07)-RX10/20/45);

(B) The Anthem Blue Choice Point of Service plan (BC2T10(07)-RX10/20/45);

(C) The Anthem Site of Service plan (ABSOS20-RX10/20/45) and,

(D) The Lumenos high deductible health plan (LUMENOS2500(07).

For all employees not enrolled in the Anthem Blue Choice Point-of-Service plan as of January 1, 2018, the Board shall provide upon the employee's request the benefits of an individual, two-person or family medical plan, for one of the following or its substantial equivalent:

(A) The Anthem Access Blue HMO plan (AB5(07)-RX10/20/45);

(B) The Anthem Site of Service plan (ABSOS20-RX10/20/45) and,

(C) The Lumenos high deductible health plan (LUMENOS2500(07).

The Board shall contribute to the plan set forth above chosen by the employee a sum equal to the percentage of the premium listed in the chart below of the HMO plan regardless of the plan chosen by the employee:

School Year	District Contribution to the HMO Plan
2018-2019	78%
2019-2020	77%
2020-2021	76%
2021-2022	75%
2022-2023	75%

As compared to the Hollis, Brookline, Bedford, and Hanover school districts, the ASD ASSA health care contribution is far less. These other districts offer plans in which the district contribution can range from 93% to 100% depending on the type of plan chosen. A key difference among these districts is in how they compensate staff who opt out of health insurance coverage.

ASSA Health Insurance Buyout

As part of the ASSA agreement negotiated in 2018, an employee who indicates by September 1 in any year that they will opt out of the district-offered health insurance qualifies for an added benefit. The amount of the benefit depends on the total number of people who opt out. If 21 people or less opt out, they each receive a $1,000 benefit. If 22 people or more opt out, the benefit increases to $5,000 apiece. And, if 31 or more opt out, the benefit increases to $7,500 apiece. The underlying rationale is that it is less expensive to provide the benefit than to pay for insurance, which can cost $8,700-$23,500 per employee per year depending upon the plan.

Other communities offer such buyouts. For example, Brookline offers a $2,000 buyout, and Hanover offers a $1,500 buyout. The problem with the ASSA contract, in our view, is twofold. First, our payout levels are a lot higher than Brookline's and Hanover's.

Second, once a new threshold is hit, it does not reset in the next year. It persists. For example, 27 ASSA members provided notice by September 1, 2021 that they would be taking the Health Insurance Buyout for FY22. The amount paid to each of the 27 members for FY22 was $1,000. However, by hitting the 22+ threshold notice, the benefit qualified ASSA members to receive the increased buyout amount of $5,000 apiece in FY23 and subsequent years.

Over time, should the number of people opting out hit the 31 threshold, then all members opting out will receive $7,500 per year for every year they opt out thereafter regardless of how many do in any given year. We believe this is inappropriate and recommend that the count reset annually.

ASSA Retirement/Longevity

Support staff contracts can also have a provision for a retirement payout. Article 10.11 (E) covers what is provided to staff in the ASD who are eligible for early retirement. Article 10.11(E) reads as follows:

> *The early retirement shall include:*
>
> *1. A single cash payment of $7,000 by the end of the school year preceding early retirement*
>
> *2. An additional amount in salary during the final year of service as follows:*
>
> *Age on July 1*
>
> *of Final Year of Service*
>
> *At Least 55 Years = Salary benefit $6,000*
>
> *3. Employees who work less than 30 hours per week in the employee's*
>
> *final year of service will have their early retirement payment amount*
>
> *prorated based on the employee's average full-time equivalency value*

For example, a staff member working 175 days under this agreement paid at step 14 on the 2021-22 Salary Schedule A of this agreement would make $17.22 per hour x 7 hrs per day for a daily rate of $120.54 per day.

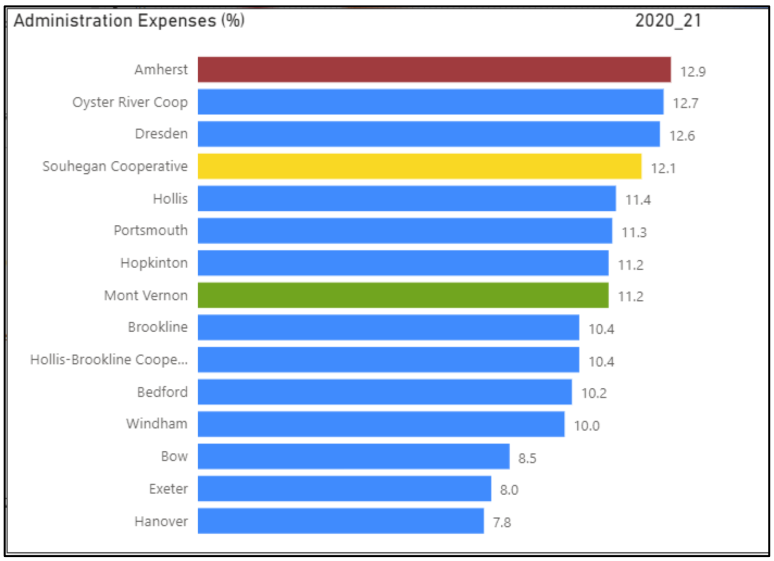
$120.54 x 175 days equals an **annual salary of $21,094.50**. If the same staff member retired at this salary and was eligible for an early retirement bonus, their salary would increase to **$28,094,50** in the year preceding retirement and **$27,094.50** in their final year of service, not including their extra step on the salary scale. This would mean their final two years of service would include a **33%** raise and a **28%** raise respectively. Moreover, these dramatic increases in salary would dramatically increase what the employee would earn in retirement as they would account for two of their highest paid years of service used in the calculation.

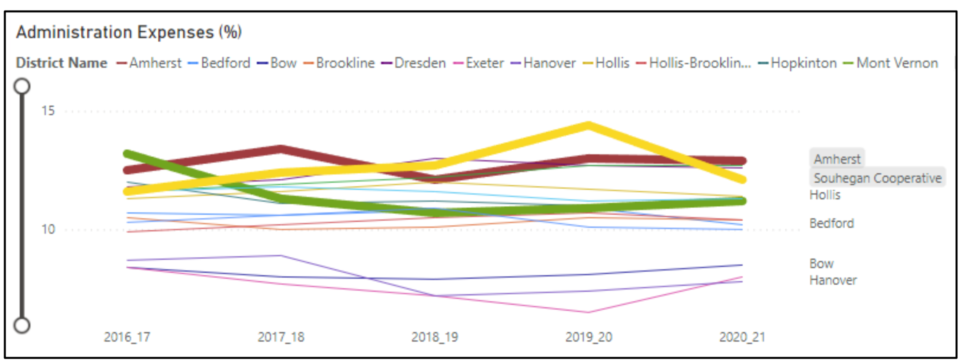
Hollis, Bedford, and Hanover all offer some sort of longevity or retirement bonus. However, none appear to have the large impact on the final calculation on the final retirement number the way that the ASSA agreement does. The early retirement bonus in the ASSA agreement is among the most – if not the most – competitive of longevity/retirement bonuses when compared to three of the four contracts. Bedford offers a large payment in their contract, but staff are only eligible for it after 20 years.

SECTION 6: ANALYSIS OF ADMINISTRATION COSTS

As we discussed elsewhere, the NH Department of Education (NHDOE) has created a financial reporting template, known as the DOE-25, that all NH districts use to submit their budgets to the state. The NHDOE summarizes and publishes a set of key performance metrics, which enables the comparison of costs across districts. Under the category of *Administration Expenses* we find that:

- In 2020-21, ASD had the highest Administration Expenses in its peer group (12.9%)
- Historically, Administration Expenses in SAU39 have ranked among the highest in its peer group.



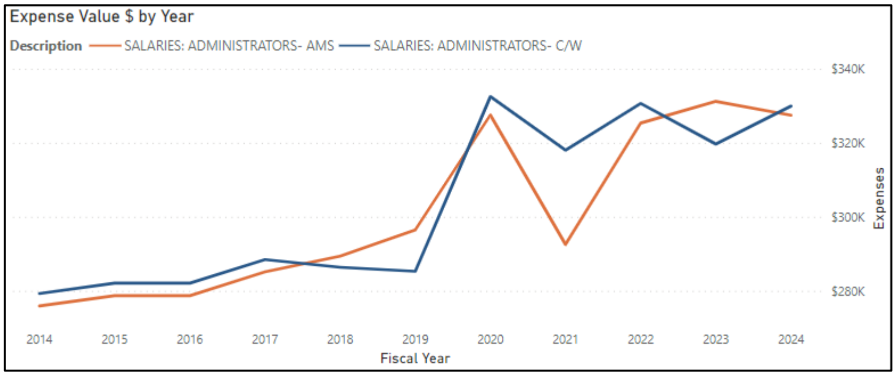


Amherst maintains the highest percentage of administrative expenses. While Oyster River and Hanover come in a close second and third, their educational performance outcomes far exceed that of Amherst.

The Draft 3 version of ASD's 2024 Proposed Budget asks for $32,403,987. Of that, salary and benefit expenses are $25,630,021 or 79% of the proposed budget. And Non-Union Salary and Benefit Expenses – which are predominantly expenses for administration are $3,072,482 or 12% of the Salary and Benefit Expenses.

	AEA	ASSA	Non-Union	Total
Salary and Benefit Expenses	$17,900,751	$4,656,788	$3,072,482	$25,630,021
	69.8%	18.2%	12.0%	100.0%

In 2019, the Amherst Middle School and Clark-Wilkins school saw sharp increases in total expenditures of administrator salaries.



It is important to recognize that this data only covers salaries. Not included in this graph are expenditures for health insurance and retirement associated with these positions, which would generally track with the associated increases in these salaries.

Also important to note is that ASD pays a prorated share to underwrite the expenses of SAU 39 ("The Brick School"). ASD will pay approximately $1.6 million next year for those services and support. Those expenses are not listed as part of personnel costs. Rather, they are listed in a separate category. So, in reality, ASD's personnel expenses category understates the real proposed expenditures by $1.6 million.

We have made the point elsewhere that many of the items in an annual budget are difficult to bring in line, because they are fixed expenditures governed by collective bargaining agreements (AEA and ASSA). Non-union administrative costs ($3,073,482) can be more readily reviewed and managed directly by the Amherst School Board. Given that our costs in this area are quite high, we believe such attention is merited.

SECTION 7: CONCLUSION

It has taken years to evolve to a school system whose educational outcomes fall below those of peer groups but whose compensation and cost structure rival the top school system in the state. Our budgets, on an All-In CPP basis, are millions of dollars higher than neighboring peer communities that still manage to outperform us academically.

The question often posed to those seeking more sensible spending levels is, "What would you cut?" That is not the right question. As we said earlier, there are not enough non-personnel-related cost categories to trim to get us to financial parity with other districts in a balanced manner. The entire ASD educational system has deformed. The system must be rebalanced with sound, outcomes-oriented strategic plans that focus spending on achieving targeted educational goals while summarily reconfiguring staffing, spending, and the constraints of CBA's that are so out of step with the educational value our students and community deserve.