

Wednesday, March 13, 2019

MINUTES OF THE FINANCE COMMITTEE OF THE BRIDGEPORT BOARD OF EDUCATION, held March 13, 2019, at Bridgeport City Hall, 45 Lyon Terrace, Bridgeport, Connecticut.

The meeting was called to order at 6:02 p.m. Committee members present were Chair Jessica Martinez, Maria Pereira and Joseph Lombard.

Supt. Dr. Aresta L. Johnson was present.

Ms. Pereira moved to approve the committee's minutes of October 3, 2018. The motion was seconded by Ms. Martinez and approved by a 1-0 vote. Voting in favor was Ms. Martinez. Ms. Pereira and Mr. Lombard abstained.

Marlene Siegel, chief financial officer, reported on the 2018-19 budget. She said the third formal fiscal forecast of the fiscal year was completed on February 28th. Based on current projections, analysis of trends, and utilization of all available fund sources, she said it appears the district will achieve a balanced operating budget by year end. She added the budget remains in a precarious state due to the continuing under-resourced condition, reserve funds at a minimal level and competing needs. She said the budget remains subject to multiple stress factors that could have a potential negative impact during the remainder of the fiscal year.

Ms. Siegel said the number of out-of-district special education students is 408 and the total out-of-district

expense is projected at \$27.8 million, which represents 12.4 percent growth from 2017-18. She said this figure includes charter school special education services for which the district is billed.

Ms. Siegel in June 2018, 17.36 percent of the district was categorized as special education; as of March 1st, 2019, the enrollment is 17.51 percent of enrollment compared to 16.16 percent at the same time last year.

Ms. Siegel said the 2018-19 state cap on out-of-district reimbursement is not yet known. Last year, the cap was 27.56 percent. She said she remained optimistic that the cap will be in the 24 to 26 percent range and the excess cost gap will equal or exceed her projections.

Ms. Siegel said the magnitude of special education expenditures heightens pressure on extremely constrained fiscal resources and reduces the capacity to provide services for general education students.

Ms. Siegel said notification was received from the state about the imposition of a monetary penalty on the Aerospace High School at Fairchild Wheeler for failure to meet the residency standard in 2018-19. The penalty is \$99,000. She said this disappointing news has been incorporated into the budgetary plans. Dr. Johnson said the school was short by twelve of the necessary students.

Ms. Pereira said the minutes of the October meeting indicated different figures. Ms. Siegel said at that time the state's methodology for calculation of the penalty was not available. She added a corrective action plan was submitted and it was hoped that the plan would be approved.

Ms. Pereira said the school districts that owe us money are doing everything they can to not allow recruitment of their students, which is a violation of state statute. She said Stratford, Trumbull and Shelton are doing everything they can to keep students and families from knowing about the program. Dr. Johnson said she asked the state to waive the penalty and give the district a chance to implement the plan. She said the state was only interested in the action steps, not what various towns owed to Bridgeport.

Ms. Siegel said through deficit prevention mode, which remains in force, we continue to seek the capture of all accrued funds and to expand reserves and offset any shortfalls. She said effective March 1st the employment of new hires in vacant teacher positions ceased, except for shortage areas. Vacant positions are covered by long-term subs. She said there are currently 39 long-term subs covering teacher positions; 17 of the 39 are in the lost certification or DSAP expiration category.

Ms. Siegel said despite the significant fiscal challenges, if current trends continue and accrued funds can be retained, we may be able to aggregate enough resources to finance the literacy curriculum renewal initiative either in 2018-19 or split between 2018-19 and 2019-20. She said the first step in speaking about 2019-20 is to close the 2019-20 budget gap. She said there are major areas that may end the year with lower than projected expenses, including legal services. She added there may be savings in utilities and in special education.

Ms. Siegel said the phase-in plan for literacy and math curriculum renewal is in multiyear packages. Title IV-A funding will be used for math, provided the funding continues at the same appropriation level, over a four-year period.

Ms. Siegel said literacy renewal needs to rely on accrued funds. She said the literacy and math directors will be presenting proposals to the Teaching & Learning Committee and then to the full board, subject to available resources.

In response to a question, Ms. Siegel said the curriculum change initiated by Supt. Vallas was now outdated. She said the plan applies to Grades K to 8, with grade ranges being phased in in each year. She said in the early grades readers, instead of textbooks, would be purchased.

Dr. Johnson said there is a curriculum renewal cycle needed and noted Supt. Vallas arrived in the district in 2012.

Ms. Siegel said many of the online licenses had expired. She said the state had established new standards in science and those are being applied to literacy and math in the coming years.

In response to a question, Ms. Siegel said the healthcare savings this year are about \$3.5 to 4 million, but the budget plan already included \$1 million in savings. She said every union is now in the Connecticut Partnership plan, with the nurses being the last to enter on March 1st.

Ms. Siegel said going forward the district's base for healthcare expenses will be lower, to which will be applied a 7.5 percent growth factor.

Ms. Siegel then spoke on the development of a budget gap plan for the 2019-20 budget. She said the initial base monetary need is an additional \$16 million. She said the number could change as budgetary data and projections are continually examined in the coming months. The total budget

request is \$22.8 million, composed of the \$16 million, plus \$3 million for restoration of kindergarten paras, and \$3.8 million in discretionary resources.

Ms. Siegel said the budget request incorporated the 7.5 percent increase for the Connecticut Partnership. She said the MREF rate (the retirement fund for noncertified employees) will increase progressively from 12.15 percent in the current fiscal year to 14.72 percent next year, and the projected additional cost is well over \$1 million. She said there is a 2.5 percent increase in each subsequent year.

Ms. Siegel said she shared a template for a preliminary budget gap plan which does not meet the target goal. She said she wanted to emphasize that the suggestion of a potential strategy does mean that it is a desirable option. She said there are very few areas remaining that would allow for cuts without jeopardizing the core capacity of the district to maintain a viable educational program.

Ms. Siegel described how it was possible to remove the \$1 million contribution to the Internal Service Fund for next year.

In response to a question, Ms. Siegel said she divided the \$16 million between the state and the city to achieve the total. Ms. Pereira said when the board met with the state delegation it never gave them a dollar amount to ask for. She said Ezequiel Santiago called her today and indicated the delegation would meet on March 16th to discuss the needs of the district. She asked Dr. Johnson to communicate a figure to Rep. Santiago. Dr. Johnson said provided documents to Rep. Santiago and would follow up with a call and a letter. She said it would be helpful if the board chair spoke to him as well. Ms. Martinez said she would reach out as well to Rep. Santiago.

Ms. Pereira said the district is facing the risk of losing six pre-K classes due to the expiration of a grant. Ms. Siegel said two classes at Dunbar will be eliminated, while retaining two. She noted it had been hard to fill all the classes and she has been told there are community sites available in the neighborhood.

Nadira Clarke, director of grants, said the federal grant had a cycle that can only go to state agencies. She said there is an expectation there will be a new cycle of the grant because the federal government has a different fiscal year.

Ms. Pereira noted she never supported the cut to the School Volunteer Association. She said there was a lengthy discussion in the Students & Families Committee about the School Volunteer Association picking up responsibilities around working with PACs and PTSOs and training parents. She said the parent groups are in chaos and they are not working efficiently right now.

Ms. Martinez said some school PACs are working extremely effectively; some schools have no PACs. She said there is no oversight or training available.

Ms. Pereira said she would never support a program where all textbooks were online due to the digital divide where students do not have access to the internet at home. She said studies indicate students retain more by reading on paper than online information.

In response to a question, Ms. Siegel said there are pending collective bargaining negotiations such as with AFSCME which are not under the board's control. Ms. Pereira said it was crazy that the board did not have input into the

negotiations for the salary and benefits we have to pay. Dr. Johnson said the district put together information for the NAGE negotiations revolving around employing security guards for ten months per year.

Ms. Pereira said the board does not negotiate a contract that could cost a million dollars and then the city will not fund the million dollars on the contract they negotiated and approved. She said we have to be involved somewhere in these contracts. She said the last contract with NAGE cost the board \$2 million and the city \$200,000.

Ms. Siegel said she always builds into the budget a potential two percent increase.

In response to a question, Ms. Siegel said in the last four years, including 2019-20, if we don't get the \$16 million the board will have made \$54 million in cuts.

In response to a question, Ms. Siegel said the board is currently spending \$14,241 per pupil, including all federal and state grants, while Hartford is spending \$19,647 and Stamford \$18,873.

Ms. Pereira said special education disproportionately affects males of color because they are over-identified because of behavioral issues. She said they are not getting interventions at an early age. She said teachers, who are overworked and under-resourced, start to identify the children for special education.

Dr. Johnson said due to the lack of resources for Tier 1 students, there are more students who need intensive support. She said Hartford had 82 social workers compared to 30-plus in Bridgeport.

Ms. Pereira said she found it shocking that the district is not getting full reimbursement for special education students once the district reached 4.5 times the expenditure of an average student. She said in the end the state is only paying \$26,000 of a student that costs \$100,000, which describe as the state screwing us.

In response to a question, Ms. Siegel said there would be standard consolidation as is done every year based on enrollment. Ms. Pereira noted her past objection to proposed mixing grade levels when consolidating. Dr. Johnson said there were no plans to do so.

The next agenda item was on 2018-19 legal services. Ms. Siegel said the data provided compares the to-date number for the current year to the aggregate number of 2017-18. She said for invoices received for July through January, the expenditure to date is \$187,823, which does not include settlement and arbitration payments. She said last year's total was \$345,057.

Ms, Pereira said she had seen legal expenditures as high as \$2 million annually with Durant, Nichols. In response to a question, Dr. Johnson said Pullman & Comley was still involved in the Carmen Perez Dickson case. Ms. Pereira said that case had to have cost over a million dollars.

In response to a question, Ms. Siegel said the greatest savings are occurring in general representation. Dr. Johnson noted the law firm no longer attends all PPTs, as Shipman & Goodwin did, which has led to a reduction. She said there has been more efficiency as well.

The next agenda item was on SROs. Ms. Siegel said the

latest information from the office of labor relations is they have not yet finalized the amount, if any, that would be due to laid-off SROs. She said hopefully in the next few weeks the dollar amount, if any, will be finalized. She said it is the district's position that it is the responsibility of the city to maintain any liability that may exist because the city was responsible for SROs being laid off later than the date on which the board had requested the layoff. Dr. Johnson said she had a meeting scheduled for Friday with Atty. Bohannon and other city officials on the subject.

The next agenda item was approval of the E-Rate contract. Jeffrey Postolowski, director of ITS, said every year the district has to go through the E-Rate process, where it receives the lion's share of funding that pays for most of telecommunications and technology systems within the district. He said the district is classified as a 95-percent district.

Mr. Postolowski said the bid packets have been returned and scored. He said there are really only two contenders that can bid on the district's work, CEN and Crown Castle. He added CEN is a customer of Crown Castle, which is why their prices are not better.

Mr. Postolowski said the choice is CEN for internet and Crown Castle for fiber. He said the costs for purchases are so low that other bidders do not participate.

Ms. Pereira moved *"to move to the full board the approval of CEN for internet service provider and Crown Castle for fiber connectivity for a 60-month contract."* The motion was seconded by Mr. Lombard and unanimously approved.

Dr. Johnson said the item had to be on the board agenda for

the March 25th meeting.

Mr. Postolowski said this is the first year the district is not doing Category 2 funding because capital is not available. It will be done next year as part of the end of a cycle. Category 2 covers core infrastructure.

Ms. Pereira moved to adjourn the meeting. The motion was seconded by Ms. Martinez and unanimously approved.

The meeting was adjourned at 7:22 p.m.

Respectfully submitted,

John McLeod

Approved by the committee on April 10, 2019