

Wednesday, April 15, 2020

MINUTES OF THE FINANCE COMMITTEE OF THE BRIDGEPORT BOARD OF EDUCATION, held April 15, 2020, by video and audio conference call, Bridgeport, Connecticut.

The meeting was called to order at 6:35 p.m. Present were Chair Joseph Sokolovic, and members Bobbi Brown and Joseph Lombard. Also present were board members Albert Benejan and John Weldon.

Ms. Brown moved to approve the committee's minutes of January 15, 2020. The motion was seconded by Mr. Sokolovic. The motion was a 1-0 vote.

Ms. Brown voted to approve. Mr. Lombard and Mr. Sokolovic abstained.

The next agenda item was an update on the 2019-20 budget.

Marlene Siegel, chief financial officer, said she was in the process of completing the financial condition report, which will be posted in the first week of May. She said the district is on track to have a balanced budget for the ninth consecutive year. She said projections are made on the basis of current data and there are multiple variable and uncertainties from the COVID-19 emergency that can impact the fiscal condition. She said we monitor data and trends continuously.

Ms. Siegel said the COVID-19 situation results in schools being closed through May 18th. She said there are debits or

shortfalls of \$1.7 million to \$2 million in food service due to reduced meal service and corresponding reduced revenue. She said about 3,500 meals are being served currently compared to the prior figures of 12,000 to 13,000. She said the nutrition staff has been retained in accordance with the governor's order. She said the final shortfall would be covered by the operating budget.

Regarding credits or savings from COVID-19, Ms. Siegel said the superintendent is in negotiations with We Transport in regard to the governor's order. Savings cannot be determined as of now. She said there will be savings due to the end of services provided by other transportation companies who did not have contracts for special education and homelessness situation. There will be savings in teacher subs, although long-term subs are continuing. There are also savings in substitute paraprofessionals.

Ms. Siegel said the pending AFSCME contract has not yet been ratified, which was expected to result in retroactive salary increases to 7/1/19. There are also savings in overtime, athletics, security, utilities, and legal expenses. She said facilities expenses have increased for supply services and equipment, but net savings are anticipated as well.

Ms. Siegel said savings of \$1.7 million are projected, which should be sufficient to cover the shortfall in the food and nutrition budget.

Ms. Siegel said it was anticipated that we would be using the remainder of the pre-Connecticut Partnership surplus of \$2 million in the Internal Service Fund to balance the budget. She said if a surplus does occur in the operating budget the

full \$2 million will not be withdrawn, thereby retaining the funds to close the budget gap in 2020-21.

Ms. Siegel said the amount of the CARES Act subgrant is not known yet. The states will allocate school districts subgrants for the purposes related to the COVID-19 crisis such as computer devices, cleaning, and extended day learning. The grant will be released at the end of May and cover three fiscal years, including the current one, expiring on September 30, 2021. She said the state will require that local education agencies consult with nonpublic schools – similar to the way Title I funds are allocated.

Ms. Siegel said the district remains in deficit prevention mode.

Ms. Siegel said curriculum renewal projects are moving forward for 2020-21 in literacy for Grades 4 to 6 (for over \$1 million) and mathematics (at the cost about \$794,000) in Grades 6 to 8, which are all to be funded across grants.

In response to a question, Ms. Siegel said the increased costs unrelated to COVID-19 were in the area of overtime. She noted there were reductions in the facilities budget carried forward to 2019-20. She said the facilities department has been asked to code all COVID-related expenses and any expenses that qualify for FEMA reimbursement will be submitted.

Ms. Siegel said the CARES grant will be a formula grant so it will come to the district automatically. The state has to apply for the grant from the federal government and will use Title 1 methodology to allocate the funds to the districts.

In response to a question, Ms. Siegel said after March 12th the superintendent directed there be no overtime in facilities or security without his prior approval because schools were closed. She said the amount of overtime after March 12th is very low.

Ms. Siegel said inquiries would be made if the CARES Act can be used to maintain on the payroll such employees such as hourly cafeteria assistants or for FEMA reimbursements.

Ms. Siegel said she was awaiting further guidance from the state in regard to summer programs and summer meals.

In response to a question, Ms. Siegel said the more meals the district serves, the higher the revenue it receives and the higher the profit which funds the staff.

Mr. Lombard thanked Ms. Siegel for a clear and thorough presentation.

The next agenda item was on the 2020-21 budget status. Ms. Siegel said the board approved the budget request of \$14.5 million as the essential monetary need. The mayor has proposed a \$2 million increase, which would be included in the MBR. The superintendent has requested additional resources from the city of \$1.4 million in direct payment to the transportation company for the maintenance of the current transportation limits, a waiver of the one-time payment to be due in 2020-21 to maintain the nine SROs after expiration of the grant of \$434,753. If the requests are approved the total city share will be about \$3.8 million.

Ms. Siegel said the 2019 state legislative report indicated an expectation of \$2.8 million for the district in 2020-21, however, the governor's proposed budget had \$2.3 million.

She said she is remaining optimistic that the final ECS increase will be a minimum of \$2.8 million.

Ms. Siegel said the district could receive close to \$7 million in total revenue toward our monetary need.

She said the projected need is going to remain the stable at the time due to positive and negative elements.

Ms. Siegel said the growth rate for the Connecticut Partnership health plan is lower than original projection, however, the district has not yet received premium rates. She said MERS, the municipal retirement fund for noncertified staff, rate of contribution has been increased by two percent in every year and next year it will be slightly higher than originally projected by \$50,000. She said projections in facilities are being reexamined and may need to be increased.

Ms. Siegel said funds will be needed for the AFSCME contract, including retroactive payments to 7/1/19.

Ms. Siegel noted the state is delayed in approving a budget due to the COVID-19 situation, which complicates the district's complete analysis of the budget.

Ms. Siegel said the budget gap plan will include implementing nine major strategies used in the past that she expects will have zero impact on school operations. The strategies to be used will include realizing accruals from vacant positions filled by substitute personnel when we have a lack of certified or qualified candidates, with \$2 million forecasted for all positions; and position consolidation – the annual process to adjust positions in alignment with projected registers. The current net change is minus two

teacher positions. There will be vacant position conversions – 12-month assistant principal positions converted to 10-month, with savings of about \$25,000 per position.

Ms. Siegel said there will be program reorganization and adjustments such as a change in the district assessment program saving about \$136,000.

Ms. Siegel indicated curriculum renewal funds can be temporarily redeployed to balance the budget. This approach has been used in multiple years and it has always been possible to reallocate the funds to curriculum renewal.

Ms. Siegel said it was possible due to COVID-19 that summer programs that traditionally operate at schools will have to operate online. If summer ESY for special education operated online there would be transportation savings of about \$600,000.

Ms. Siegel said appropriate COVID-related charges from the operating budget would be transferred to the CARES Act subgrant. She said such reimbursements from the federal government are not typically received rapidly.

Ms. Siegel said other grants such as the state magnet grant could result in higher revenue due to increased enrollment. There will also be rollover in grants such as Title I, IDEA, and Title II.

Mr. Sokolovic said he was concerned with the amount of \$1.2 million for bus transportation not being included in the MBR, which may be illegal. He said every cut that has to be made impacts the classroom in some way, shape or form. He said the current budget gap projections as presented by

Ms. Siegel could be covered in the best-case scenario, but he expressed concerns about the worst-case scenario.

Regarding a question about whether increased Lighthouse rental fees explored, Ms. Siegel suggested Mr. Sokolovic speak with the superintendent about that.

In response to a question about magnet school tuition, Ms. Siegel said the lawsuit is still pending. She said the district was not paying tuition to Trumbull for the Agriscience school since Trumbull does not pay Bridgeport for magnet tuition.

Mr. Sokolovic noted the April 22nd City Council meeting on the education budget. Ms. Siegel said last year the superintendent formed a team with board members to present to the council at the public hearing on the budget.

Mr. Lombard said it seemed to be an encouraging report that with the projections that we would be able to balance the budget without major impact to the classroom and the administration.

Ms. Brown said Ms. Siegel provided interesting news and the board needs to make the public aware as to why these things are taking place.

In response to a question from Mr. Benejan, Ms. Siegel said the district has an extensive teacher recruitment program with continuing shortages in math, science, special education, foreign languages, bilingual, and ESL education, and the district often opens the year with vacancies in teacher positions.

Mr. Sokolovic noted the district's financial situation does not allow it to pay the necessary premiums to recruit teachers in many areas.

Mr. Weldon said there were even more unknowns this year in the budget and he appreciated Ms. Siegel's work. He noted from his experience with the former American Recovery and Reinvestment Act that the federal reimbursements are typically scrutinized more closely than other programs and have a greater lag time.

Ms. Siegel said members of the finance team - Liz Maurer, Nadira Clarke and John Gerrity - were on the call and she thanked them for their excellent work on the team.

In response to a question, Ms. Siegel said parent activities such as the parent convention that do not occur would have the Title I funds rolled into next year.

Mr. Sokolovic asked if more frequent meetings were necessary. Ms. Siegel suggested the committee wait until the city and the state pass budgets before holding another meeting.

Ms. Brown moved to adjourn the meeting. The motion was seconded by Mr. Lombard and unanimously approved.

The meeting was adjourned at 7:55 p.m.

Respectfully submitted,

John McLeod

*Approved by the committee on May 13, 2020*