

Wednesday, May 12, 2021

MINUTES OF THE FINANCE COMMITTEE OF THE
BRIDGEPORT BOARD OF EDUCATION, on May 12, 2021,
by video conference call, Bridgeport, Connecticut.

The meeting was called to order at 6:02 p.m. Present were members Chair Joseph Sokolovic and Bobbi Brown. Board members Sybil Allen and Albert Benejan was present. Board member John Weldon joined the meeting subsequently as indicated.

Supt. Michael J. Testani was present

Ms. Brown moved to approve the committee's minutes of April 21, 2021. The motion was seconded by Mr. Sokolovic and unanimously approved.

The next agenda item was on the 2020-21 budget update.

Marlene Siegel, chief financial officer, said the financial condition report was posted on May 3rd, with a forecast of a balanced condition, without the need to withdraw from the pre-2018-19 component of the Internal Service Fund(ISF). This amounts to \$2 million. She said based on the current analysis approximately \$400,000 of the \$3 million in ISF surplus funds is being used in the current budget projection, however, this amount could be reduced to zero. There is a very strong possibility that those funds can be retained in the Internal Service Fund for use in 2021-22.

Ms. Siegel discussed budget variables. Almost \$700,000 in nutrition expenses have been transferred to the CARES grant, which allows for reasonable and necessary expenses

to respond to the pandemic. The current projected shortfall is in the range of \$2.2 million to \$3 million, which is built into the operating budget forecast.

Ms. Siegel said surpluses are anticipated in lines such as legal services, athletics, and security. The CRF grant and the CARES Act included funds for substitute services.

Ms. Siegel said the AFSCME contract has been recently approved. This includes retroactive pay increases dating back to 2019. Going forward, in 2020-21 there will be a two percent increase in January and two percent in 2023 and 2024.

Ms. Siegel said we continue to operate in deficit prevention mode, which includes stringent cost control and management.

The next agenda item was on the 2021-22 budget. Ms. Siegel said the City Council added \$2 million to the board's MBR and the mayor is expected to approve the budget. The state's budget has not been finalized. The appropriations committees proposed a budget that would restore the progressive increase in the ECS formula, which would yield only \$1.5 million.

Ms. Siegel said the final Connecticut Partnership rates for health insurance have been determined. The actual growth is 4.9 percent, which is lower than the original projection.

Mr. Weldon joined the meeting.

Ms. Siegel said the 2021-22 budget gap plan at this time projects a monetary need of \$17 million, with projected revenues of \$3.5 million. She described other projected

features, including the possibility of a \$1 million surplus from FY 2020-21. Deficit prevention mode would continue, which include savings from position vacancies.

Ms. Siegel said the five-part plan is fairly simple and there are still many uncertainties. She said funds from the ESSER grants will be used to according to the guidelines to fund planned services, such as resource teachers in special education.

In response to a question, Ms. Siegel said if all of the \$8.5 million in the ISF were used next year, the funds would not replenish and there would be an \$8.5 million gap in the ISF for 2022-23. She said there is absolutely a structural imbalance. Mr. Sokolovic described the gap as a cliff which will occur when funding streams run out and there would be a need for an influx of funds or cut in services to students.

In response to a question, Ms. Siegel said the plan for next year will enable a balanced budget, although there are uncertainties.

The superintendent said once the ESSER funding expires a lot of the services that the district is funding with those funds will be in jeopardy unless the state and the municipality properly funds the district. Ms. Siegel said the overall goal is to generate savings and take actions to avoid taking funds from the ISF and generate savings from surpluses. She noted spending will be at a higher rate next year because of the return to full in-person instruction

Mr. Sokolovic said a simple explanation he uses is to describe it as similar to using an inheritance to cover expenses in a household operating in a deficit. When the inheritance money is spent, the expenses will continue, but

there will not be a enough revenue coming into the household. He said we cannot cut our way out of this problem; the only solution is increased revenue to cover employee raises at the very minimum.

The next agenda item was on the ESSER-1 and ESSER-2 balances. Ms. Siegel displayed figures on the screen. She said ESSER-1, also known as CARES grant, was \$8.7 million. Along with the CRF grant, the total was about \$13.5 million.

Ms. Siegel said the new items include an order for PPE of \$434,000 and \$88,000 for interactive Promethean boards, which are going into schools based on a hierarchy of need. Another new item is the teleconference facility at Aquaculture of \$5,329, as well as funds for social studies digital services called Actively Learn. Funds are on hold for graphing calculators, with an anticipated cost factor of \$336,249.

Ms. Siegel said the projected amount for substitute kindergarten paras will likely be lower, but more positions have been filled over the last few weeks.

Ms. Siegel said with the inclusion of projections it is anticipated that we will carry forward about \$1.2 million, which will be used for continuation of various types of services.

In response to a question, Supt. Testani said X-ray detecting equipment was purchased in order to check bags without security officers needing to touch the bags, which was much safer during Covid times. He said it is a quick and more efficient process for students entering schools in the morning. This expenditure added the equipment to other

high schools; Harding received theirs as part of the new construction. He said children are encouraged to bring their own water bottles or thermoses and the district is looking at converting some water fountains to bottle fills.

Mr. Benejan left the meeting.

Ms. Siegel then discussed the ESSER 2 grant. She said the budget summary plan was submitted at the end of the April and we are awaiting commentary from the department of education on the application. She said the funds are applicable from July 1, 2020 to September 30, 2023, and the amount is about \$44 million. The state-level priorities are academic supports, learning loss, learning acceleration and recovery; family and community connections; school safety and social-emotional wellbeing of the whole student and school staff; and remote learning, staff development and the digital divide.

Ms. Siegel said it is not expected to draw on ESSER 2 funds until 2021-22. CARES Act(ESSER-1) funds)will be expended first.

Ms. Siegel then discussed the ARP ESSER 3 plan. She said the state terms this fund source as a resource to reimagine schools to transfer students' lives. The appropriation is about \$100 million. At least 20 percent must be set aside to mitigate the academic impact of learning loss. She said this will likely include teachers hired as academic support instructors in specified schools.

Ms. Siegel said the guidelines of ESSER 3 list five priority areas, some of which are similar to ESSER 2. There is a category for building safe and healthy schools, which

includes HVAC systems, door or window replacements, and custodial equipment.

Ms. Siegel said a safe return to in-person services plan is required. It is required that the plan be developed with public input and that the plan be posted online 30 days after receiving the funds.

The superintendent said there are way too many unknowns at this point because the application has not been released. He said the safe return to school plan will be an edit of the current document, even though we have safely returned to school for ten months.

Ms. Siegel said the ARP ESSER application is expected to be available by May 24th, with the due date in mid-August.

Mr. Sokolovic suggested there be updates during the summer at the committee. He also suggested Mr. Weldon hold a special meeting for the whole board to receive an update and make information available to the public. Supt. Testani said he would coordinate this strategically throughout the summer.

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

The meeting was adjourned at 7:00 p.m.

Respectfully submitted,

John McLeod