

Wednesday, April 10, 2019

MINUTES OF THE FINANCE COMMITTEE OF THE
BRIDGEPORT BOARD OF EDUCATION, held April 10,
2019, at Bridgeport City Hall, 45 Lyon Terrace, Bridgeport,
Connecticut.

The meeting was called to order at 5:31 p.m. Committee members present were Chair Jessica Martinez and Joseph Lombard. Board member Joseph Sokolovic was present. Board member Hernan Illingworth arrived subsequently as noted.

Supt. Dr. Aresta L. Johnson was present.

Ms. Martinez moved to approve the committee's minutes of March 13, 2019. The motion was seconded by Mr. Lombard and unanimously approved.

Marlene Siegel, chief financial officer, reported on the 2018-19 budget. She said the fourth and final formal fiscal forecast of the fiscal year, as of April 30th, is currently underway. She said based on current projections, analysis of trends and utilization of all available fund sources, it appears the district will achieve a balanced operating budget by year end for the eighth consecutive year.

Ms. Siegel said 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 is subject to multiple stress factors such as special education or emergency facility needs.

Ms. Siegel said updated information indicated the number of out-of-district students is 410 and the total projected expense is about \$27.9 million, which includes charter school special education services. She said this represents a 12.6 percent growth from 2017-18.

Ms. Siegel said as of April 1st the special education enrollment was 3,627, or 17.7 percent, compared to 3,529, or 16.78 percent, at the same point last year.

Mr. Illingworth arrived at the meeting.

Ms. Siegel said the state cap on out-of-district reimbursements is not yet known. In 2017-18 the cap was 27.56 percent. She said it is anticipated the cap will be on the 24 to 26 percent range, but it is not possible to predict at this time.

Ms. Siegel said it is essential to strengthen instruction in general education in literacy and math, which can create conditions that will lead to a reduced need for special education referrals. She said a phase-in plan has been created for literacy and math curriculum renewal.

Ms. Siegel said through deficit prevention we will continue to seek to capture all accrued funds in order to expand reserves and help offset any potential shortfalls. She said as of March 1 the employment of new hires in vacant teacher positions except for shortage areas was stopped. The vacant positions are covered by long-term subs.

Ms. Siegel said if current trends continue sufficient resources may be available to finance the literacy curriculum renewal initiative in 2018-19, either in total or split with 2019-20 resources. However, the first step is to close the budget gap

for 2019-20.

Ms. Siegel said funds have been accrued from some areas of the budget, including from the legal services line.

Ms. Siegel said the curriculum renewals are multiyear plans with the attainment of the goals subject to available resources.

Ms. Siegel said the math curriculum renewal is slated to be funded with Title IV funds in the 2019-20 fiscal year. She said it is expected that Title IV will be continued, but that is not known yet.

In response to a question, Ms. Siegel said there are minimal reserves in the current fiscal year and all available funds are redirected to the literacy initiative. She said the projections include continuing to hire substitute teachers in May.

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

Ms. Siegel said the initial base 2019-20 monetary need is \$16 million, which represents a 6.46 percent increase in the operating budget. She said the total budget request is \$22.8 million, which encompasses the base, plus \$3 million for kindergarten paras, and \$3.8 million for discretionary services.

Ms. Siegel said the request incorporates the Connecticut Partnership rate projections and growth in MREF contributions(the non-certified retirement fund).

Ms. Siegel said next steps will be to advocate for maximum revenue at the state and city levels. She said the projected

additional ECS amount from the state will be \$2.5 million, which is an approximately one percent increase in the operating budget. She said if that remains the case the average annual increase in state funding would be less than one percent over the last five years.

Ms. Siegel said the city has flat-funded the board in the proposed budget for 2019-20.

Ms. Siegel said a budget gap plan has to be developed as a contingency. She said the preliminary plans shared in March and tonight do not resolve the gap, and some of the strategies may not transpire, particularly those that require consultation with unions.

Ms. Siegel said after years of substantial budget reduction the district is operating with a minimal operational structure. There are very few areas, if any, that would allow for cuts without jeopardizing the core capacity of the district to maintain a viable educational program. She said if the monetary need is not met we will not be able to provide a viable educational program and the board will have critical choices to make on whether to provide essential services or to go forward with those services intact. If the board goes forward with the services intact the district will be functioning with a structurally unbalanced budget and be in a deficit when the fiscal year opens.

Ms. Siegel said the district is in a time of fiscal crisis that is a fiscal emergency. If additional funding is not received, the district will not be able to provide a viable education program with the existing funding.

Ms. Siegel said the information provided to the board includes ECS data on Alliance districts. She noted

Waterbury has lower enrollment than Bridgeport but is receiving \$22.5 million compared to Bridgeport's \$18 million. She said Waterbury has about 2,300 less students than Bridgeport.

In response to a question, Ms. Siegel she did not understand how Bridgeport would not be at least equal to Waterbury. Mr. Illingworth and Ms. Martinez said the difference was a huge number.

Dr. Johnson said Hartford also has a significant increase that we could benefit from. She said the Hartford enrollment is similar, but not as large as Bridgeport.

In response to a question, Dr. Johnson said that in Waterbury the city contributes more to education than Bridgeport and does not flat fund.

Ms. Siegel said the documents provided demonstrate the data on NCEP, the percentage of the budget the city contributes and the average growth in the budget over a five-year period.

Ms. Siegel said other districts in Connecticut are requesting anywhere between two and five percent increases, and they are districts that have had reasonable increases in the past. She noted the district had negative budget growth in 2016-17 and a .06 percent increase in the following year.

Ms. Siegel said the budget gap plan includes anticipated revenue and proposed actions. She said items 3 and 4 relate to the Internal Service Fund(ISF). She said last year the city made an agreement with the district that our maximum liability would be up to \$2 million. She said to date we're optimistic that there may be sufficient funds in the ISF to

cover costs and further contributions beyond those already made will not have to be made. If the ISF is in balance at the end of the fiscal year, \$1 million can be removed next year.

Ms. Siegel said over the last three years we have removed from the ISF about \$8.5 million in order to balance the budget. She said \$1 million would be removed to balance this year's budget and help fund the literacy initiative. She said in 2019-20 we would like to be able to remove the final \$1 million.

Ms. Siegel said if these projections occur the budget gap could potentially be reduced to \$11.5 million.

Ms. Siegel said the possibility of furlough days and delaying a longevity payment have been included in the plan, knowing that we've been unable to negotiate these successfully in the past. The two items total close to \$3 million.

Ms. Siegel said a transportation item that was discussed last year and the board rejected is included in the budget gap plan. She said the idea was included to demonstrate the severity of the situation we're in.

Ms. Siegel said position consolidation is included at the rate of about \$70,000 per position. She noted the positions eliminated would be at the lower end of the salary scale.

Ms. Siegel said the Fairchild Wheeler campus item is something that no one wants to include, but is presented to demonstrate the seriousness of the situation.

Ms. Siegel said we are in a very serious state, which is why she described it as a crisis or emergency.

Ms. Siegel said item six covers curriculum renewal in math and literacy, both of which the district needs. The last major initiative was in 2012-13. The science renewal was completed over the last two years. She said the option to redeploy curriculum renewal funds was included to demonstrate the limited choices that are available.

Ms. Siegel said an item on the district office was included. She said positions have been cut and consolidated over the past few years to the point where the district office is quite small in comparison with peer districts. She said the streamlined structure limits the ability to supervise schools.

Ms. Siegel said deficit prevention mode is always sound fiscal practice, but it means not filling positions when they become vacant, and delaying or not hiring, which has an impact. She said projected savings for this item would be close to \$1 million.

Dr. Johnson said she was looking for feedback and input from the board on the proposed items. She noted even the items listed did not close the budget gap.

Ms. Martinez said she was ready to make hard decisions, but also to push the city and state a lot harder. She said as an elected body we need to demand what is deserved. She said children are going to have to put their walking sneakers on. She said we need to be prepared to be in front of the City Council on April 17th.

Ms. Martinez said she was not sure who replaced Rep. Santiago as the head of the delegation. Dr. Johnson said she drafted a letter for Rep. Santiago and then learned of his passing. Ms. Martinez said Mr. Rosario and Mr. Bradley were advocates on our side.

Dr. Johnson said we have to have a united voice to advocate for more funding. She said fragmentation works against us.

Ms. Martinez said the elected officials are her friends and neighbors. She said verbally we have their support. She said she already spoke before the Budget & Appropriations Committee as a parent.

Dr. Johnson said Faith Acts are going to the state Tuesday and asked for her input on her needs. She said we have to fight just as hard. She said when Mr. Ifill provides a bus at no cost she can't be the only person on the bus and it has to be filled also with board members and parents. She said we have to talk about what the advocacy looks like.

Ms. Martinez said she received a lot of encouragement from representatives after she spoke in Hartford.

Mr. Sokolovic said he has been on the bus to Hartford with people as a parent. He said part of the problem is our messaging. He said the public gets focused on administration and believes cutting those jobs will solve all the problems. He said this was not the case.

Ms. Martinez said a lot of City Council persons attack the board for not cutting fat from the top and it is very frustrating.

Mr. Sokolovic said parents getting incorrect information from City Council needs to be counteracted with factual information. He said last year if we had cut every position in the district office we would still have had \$3 million in cuts to make. He said it is a significant distraction from the conversation that needs to be had.

Ms. Siegel said at this point the entire district office would have to be cut in order to fulfill the monetary need.

Mr. Sokolovic said the Bridgeport delegation was a very small percentage of the legislature as a whole. He said we have to find a way to get enough delegates from outside the district to assist us. He said Bridgeport only elects the City Council as a whole body, and a cursory look at the mayor's budget looks like they have given some departments more money than was requested. He said the police department got a \$4 million boost.

Ms. Siegel said the main issue for her is that the city has yet to create a stabilized and sustainable funding mechanism for education; every year we are in the same situation. She said we should not be literally pleading for an essential appropriation. She said there cannot stability in finance without a stable percentage growth every year.

Mr. Sokolovic said his tax cut would be \$120. He said he was sure if the citizens knew that buses would have to be cut to fund this amount the conversation could be managed with the City Council.

Mr. Lombard asked if there were direct connections to media to present the case. He said there were many opportunities to get a unified message out. He said the talking points provided should be simplified a bit.

Mr. Lombard asked if there is a connection between the city and state funding, and if the state saw more city funding would there be more state funding. Ms. Siegel said the state supposedly applies a formula, but we don't understand how an equitable formula would result in a major disparity between Bridgeport and Waterbury.

Ms. Martinez said it was based on who has the most political power to fight for their city. She said she has been told by legislators that they don't take us seriously because our city doesn't take us seriously and contribute.

Mr. Lombard said the focus may need to be more on the city than on the state.

In response to a question, Ms. Siegel said the reference to redeploying funds for curriculum renewal is exclusive of Title IV funding and would consist of ECS/Alliance funds, which the district uses to fund core elements of the educational program.

Mr. Illingworth said the biggest push has to be on the city side. He said we really need to get to the bottom of the reason for the disparity between Bridgeport and Waterbury. He said he agreed a united message was needed.

Mr. Illingworth said he has heard the City Council does not trust the board and its budget. He asked if the City Council even asks for the budget.

Ms. Siegel said she responds to every inquiry about the budget and the superintendent recently responded to the City Council president with the line-by-line budget.

Ms. Martinez said she was upset because a lot of the City Council members hold personal vendettas on things that happened years ago or because something happened. She said this affects the children and we need to call them on their BS. She noted last year we went to the City Council with 300 people. She said she no longer trusted the council.

Mr. Illingworth said next week was important and we need to strategize for it. He said it was important for them to hear from Ms. Siegel. He said last year the board members did not speak, but this year Ms. Martinez should speak.

Ms. Martinez said she previously stated we should extend the olive branch, but the council has not made the effort. She said the budget information was always available for the council.

Elizabeth Maurer suggested the council be informed that all of our financial information is posted on the website on a regular basis, unlike the city.

Mr. Illingworth said last year he agreed that hard cuts at central office were necessary. He said he would like to provide the council with comparisons to the district offices in other large districts in the state, which would show Bridgeport is not that top heavy.

Ms. Siegel said all of the reductions that have been made are documented in the talking points.

Mr. Illingworth asked if we've looked at consolidating schools. Ms. Martinez said she was ready to do that if necessary because the community needs to be afraid.

Dr. Johnson said she looked at consolidating Hall and Edison with Ms. Siegel. She said the board had to have a conversation on whether or not that's the direction they want to go in.

Ms. Siegel said the initial analysis for consolidation of Hall into Edison, which is feasible based on room capacity, indicated the cost savings are about \$1.1 million. She said

two positions at the schools are already considered in the position consolidation line.

In response to a question, Dr. Johnson said there are still outstanding payments of tuition from surrounding towns. Ms. Siegel said the four districts owe about \$1.1 million, however, there are offsets from withholding payments the district owes to Trumbull. She noted the state legislation allowing for imposition of tuition did not include an enforcement mechanism.

Mr. Sokolovic said he heard we want to be aggressive and scare the public to put pressure on our elected officials. He said this conversation started before the community conversations began, and the events were stopped due to complaints of the council members who were receiving pressure. He said he would be calling out persons on social media. He said the board should ask voters to pay attention to who is voting for what, and if they do not increase the budget they should be gone. Ms. Martinez said she agreed.

Ms. Martinez said she supported the cancellation of the community conversations for a very good reason. Mr. Illingworth said there is a time for everything; now that the budget has come out it is a different phase.

Mr. Sokolovic suggested the community conversations be reinstituted. Mr. Illingworth said now that the city budget is out we need to do forums and lay out what is on the chopping block. Ms. Martinez said Dr. Johnson should be the only presenter. Mr. Illingworth said the board members do not need to be speaking at such events, except perhaps the finance chair or the president. He cautioned against board members giving nine different opinions.

Mr. Sokolovic said he could get behind that as long as the facts are presented and the message goes out that we do not control the money and can only use the money given by elected officials.

Ms. Martinez said she was willing to say that. She said she was connected to these people.

Ms. Siegel said she believed education had to be recognized as a priority of the city government, along with a decision on appropriate funding streams.

Ms. Martinez said families moving to cities look at education, and the trend is people move out of Bridgeport, not into Bridgeport.

Dr. Johnson said looking at the city budget tells you what's important to you and education does not seem to be a priority. She said eliminating positions in central office impacts the level of support for principals. She said a team is needed to make decisions on behalf of kids.

Ms. Martinez said the board's behaviors and actions have hurt the outlook as well.

Ms. Siegel said the district's schools are currently structured at bare minimum: a principal, a clerical and teachers. There are no kindergarten paras, no home-school coordinators, no literacy or math coaches, and the paras in the building are mandated for pre-K classes or special education. There are only a small number of in-school suspension officers funded in the state grant. Larger schools have an assistant principal.

Ms. Martinez said there are not enough security officers in

the district.

Ms. Martinez said she would like to push the state and the city equally. She said she would like to see the crowd we can get together in the city at the state level.

Ms. Martinez said the Hall and Edison consolidation should be added to the list.

Mr. Sokolovic said last year it was detrimental when the board started removing things from the proposed cuts beforehand. He said he would like a bigger menu to choose from. He said last year ten assistant principals were scheduled to be cut, which was refused.

Ms. Siegel said with the items listed, the gap is still almost \$5 million even with the Hall-Edison consolidation. She said there are \$3 million in items that require union agreement.

Ms. Siegel said the elimination of security officers was not presented to the board because it is not realistic.

Mr. Sokolovic said the cuts have to be suggested by the board members in order to close the gap.

Ms. Martinez asked Dr. Johnson to propose some dates that we need to be prepared for. She said she would be present. She said she would discuss a possible special meeting with Mr. Weldon.

Dr. Johnson left the meeting.

The next agenda item was on the 2018-19 legal services update.

Ms. Siegel said the chart is updated every month and there is a lower cost trend. She said it is hoped to redirect accruals to the literacy initiative.

The next agenda item was the SRO arbitration resolution update.

Ms. Siegel said the resolution is still pending. The office of labor relations recently met with the union attorneys, along with our office of human resources and our payroll benefits office. She said calculations were exchanged and are now under review.

Ms. Martinez moved that the meeting be adjourned. The motion was seconded by Mr. Lombard and unanimously approved.

The meeting was adjourned at 6:58 p.m.

Respectfully submitted,

John McLeod