

Wednesday, November 18, 2020

MINUTES OF THE FINANCE COMMITTEE OF THE BRIDGEPORT BOARD OF EDUCATION, held November 18, 2020, by video conference call, Bridgeport, Connecticut.

The meeting was called to order at 6:02 p.m. Present were Chair Joseph Sokolovic, and members Joseph Lombard and Bobbi Brown. Also present were board members Sybil Allen and Albert Benejan.

Ms. Brown moved to approve the committee's minutes of October 14, 2020. The motion was seconded by Mr. Lombard and unanimously approved.

The next agenda item was on the 2020-21 budget. Marlene Siegel, chief financial officer, said the first formal fiscal of the fiscal year was issued on October 31st and posted in November. There is a projection of a balanced condition for the year. She noted the district ended the prior year with a surplus of about \$3.5 million beyond the funds required to balance the 2020-21 budget.

Ms. Siegel said in the initial 2020-21 budget gap plan \$2 million on reserve in the Internal Service Fund was applied, along with an additional \$3.2 on reserve from the surplus in 2019-20. She said at this time it appears that the \$2 million on reserve may not be needed to balance the 2020-21 budget.

Ms. Siegel said there is a projected shortfall in nutrition due to the reduced level of revenue in comparison with expenditures, She noted the district was going into full remote mode next week. She said the projection of \$4

million could grow or be lower, and will be monitored throughout the year. The nutrition center has received a summer food service program waiver that has higher reimbursement rates per meal, retroactive to September 8th. On October 9th, the nutrition center began serving breakfast and lunch weekend meals.

Ms. Siegel said decreased expenditures led to a freeze being placed on the filing of current vacant positions and new vacancies, so labor services could be adjusted in alignment with meal service requirements.

Ms. Siegel said the revenue deficit has been absorbed through other resources received this year such as the CRF grant and savings in multiple areas.

John Garrity, director of food and nutrition, said five sites were taken off the map for grab and go meals. Part-time cafeteria assistants, who work about 15 to 19 hours per week, will be without work on November 23rd unless needed.

In response to a question, Ms. Seigel and Mr. Garrity said these food and nutrition shortfalls are happening all over the country. Mr. Sokolovic suggested advocacy for holding districts harmless at the federal level. Mr. Garrity said there are efforts on the state and federal level to accomplish that.

Ms. Seigel said the next variable is the state magnet grant. She said the total enrollment at the Fairchild Wheeler campus is lower by 128 from the prior year, and suburban enrollment is lower by 32. She said the loss in revenue is \$563,716 and the actual shortfall is \$804,000. She said this is disappointing, but the shortfall has been built into the operating budget forecast due to savings in other areas. It is

hoped the magnet tuition case will be settled in the current fiscal year, which would lead to an infusion of funds.

Ms. Siegel said the School Readiness Grant, for pre-K, required eleven seats to be filled in each class to receive full funding. The actual shortfall in September was \$17,800 compared to the \$30,000 originally projected.

Ms. Siegel said full remote mode, which begins next week, will have an impact on the pre-K funding formula. She said she would confer with Dr. Melissa Jenkins on this. The original projected excess costs beyond the grant funding for pre-K was about \$1.6 million, so the current shortfall would increase to \$1.7 million.

Ms. Siegel said revenue from the juvenile detention center is projected to be lower in the current year by about \$400,000. This is due to a lower number of enrolled students – about 20 in the current year compared to 40 last year.

Ms. Siegel said the number of out-of-district special education students is lower and the first forecast is for lower expenditures than the prior year. However, costs can grow in the remainder of the year.

Ms. Siegel said the overtime costs in facilities are not expected due to the transition to the remote model on November 23rd, which reduces costs in that area. COVID-related overtime is submitted for FEMA reimbursement.

Ms. Siegel said the excess cost cap for out-of-district tuition, which was 29.11 percent in the prior year, is not known for the current year, which is another variable.

Ms. Seigel said a lower level of Medicaid reimbursement is anticipated, particularly as the remote model is used. Tele-education services are only reimbursed if it is one-to-one and a minimum of twenty minutes.

Ms. Siegel describe the positive variables. Ms. Siegel said there are 177 transportation days in the current year, down from 182. She said she is working with We Transport to finalize consolidation of routes based on the bus ridership rules. Once the consolidation is place there should be savings for the reduction in routes. She said the governor's Executive Order 7-R requires continuation of payments to transportation companies. She noted some charter schools are still operating while the district is in remote mode and the district has to retain busing for them.

Ms. Siegel said the CRF grant includes \$1.9 million for transportation.

Ms. Siegel said there are also savings in substitute staffing, athletics, security, and hopefully legal services.

Ms. Siegel said the lower costs for heating last winter may or may not be present this year.

Ms. Siegel said the current balance in the CARES Act funding is about \$4.3 million, prior to FEMA reimbursement. She said the goal is to be cost-conscious and to purchase whatever we need, but also to save money wherever possible and roll over the end-of-year balance into the following year. The grant expires on December 31, 2020.

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

In response to a question, Ms. Siegel said the amount of money from grants that will be rolled over into next year will not be known until the end of the year. In grants such as Title I, IIA, III, and IDEA up to 15 percent may be rolled over. She said the state has been granted a waiver of this provision for 2019-20. She said when money is rolled over the district needs a significant portion of the funds to cover the escalated costs in the grants such as personnel positions.

In response to a question, Ms. Siegel said we are required by law to allocate funds to non-public schools, including in Title I and Title II. She said she rolled over about \$210,000 out of \$1.1 million in Title IIA, about \$2.5 million in Title I, about \$1 million in IDEA.

Ms. Siegel said funds in Title I are targeted for curriculum initiatives and possibly offsetting costs for special education paraprofessionals, She said it may sound like we're rolling a lot of money, but most of the funds are used to set up the budget for the following year because the costs of staffs and services have escalated and those costs are not part of the operating budget projections. By rolling the money the grants are kept stable and balanced and ready for use when we have particular needs.

Ms. Siegel posted a document on the CARES Act grant. She said the report showed actual expenditures and commitment of funds, although the amounts could change through the year.

Ms. Siegel said the only changes since the chart was shown to the board in October are orders in the technology area. She noted expenditures listed are prior to any FEMA reimbursements that may be received. She said funding is

available if more PPE has to be ordered. The IT department is working on a technology renewal cycle plan and Ms. Siegel expected some CARES Act funding will be available to help with this.

In response to a question, Ms. Siegel said her department does not track inventory levels of PPE.

The next agenda item was on financial and legislative priorities. Ms. Siegel displayed a table of items provided by the superintendent to the city for the state legislative session. She highlighted the major themes: the inadequate current \$2.3 increase in the state Alliance/ECS budget. She said compared to other districts such as Waterbury, Bridgeport should receive at least \$7 million additional.

Ms. Siegel said another priority is being held harmless for the loss of enrollment in 2021. Additionally, the district would like to have no responsibility for charter school special education and transportation services. Another priority is technology renewal and equity.

Ms. Siegel said the fourth priority item is state subsidies for teacher shortage areas. She said Bridgeport is in intense competition with other districts for such teachers and has a lower salary scale. The fifth item is capital funding and COVID-19, which covers funding for modernization of the ventilation systems in schools.

Ms. Siegel said additional state priorities include state grants for bilingual education and immigrants; post-COVID support when students return to school; and state reimbursement methodology for out-of-district placements.

Ms. Siegel said federal priorities are the various federal grants that have been mentioned tonight and in prior meetings. She said she focused on Title III, bilingual/ESL education and IDEA for help. She noted special education students comprise 17.4 percent of this year's enrollment and ELL students are 20.02 percent.

Ms. Siegel said post-COVID support at the federal level was also included in the priorities.

Mr. Sokolovic said Ms. Siegel's presentation on the priorities is awesome. He said he believed a lot of it is accomplishable, particularly in areas where all districts have the same issues such as enrollment.

In response to a question about savings in salaries in remote learning, Ms. Siegel said the governor's executive order requires districts to maintain staff on payrolls. There are savings when there is attrition in certain areas, including when the position is covered by substitutes. She said savings are being applied to projected shortfalls in food and nutrition and the state magnet grant.

Ms. Siegel said early projections indicate we won't have to use the \$2 million in the Internal Service Fund; if so, that would represent \$2 million in savings, although that could change.

Ms. Siegel thanked John Garrity, Liz Maurer, and Nadira Clarke for being on the call.

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

The meeting was adjourned at 7:20 p.m.

Respectfully submitted,

John McLeod

*Approved by the committee on January 13, 2021*