

Wednesday, January 26, 2022

MINUTES OF THE FINANCE COMMITTEE OF THE BRIDGEPORT BOARD OF EDUCATION, held January 26, 2022, at Central High School, 1 Lincoln Boulevard, Bridgeport, Connecticut.

The meeting was called to order at 6:01 p.m. Present were members Chair Joseph Sokolovic and Bobbi Brown. Board members Albert Benejan, Michael Maccarone, and Erik Castillo were present. Committee member Christine Baptiste-Perez joined the meeting subsequently as noted.

Supt. Michael J. Testani was present.

Ms. Brown moved to approve the minutes of the meeting of November 17, 2021. The motion was seconded by Mr. Sokolovic and unanimously approved. A correction was noted.

Marlene Siegel, chief financial officer presented on the financial condition for the 2021-22 budget. She said the financial condition report as of December 31, 2021, was posted in the first week of January. She said there is a projected five-to-six-million-dollar withdrawal from the Internal Service Fund (ISF) from prior years' savings. There is approximately \$20 million in the ISF. She said this is the current projection and there are many variables.

Ms. Siegel said in 2021-22 there is continued increases in special education services and expansion of English Language Learners (ELL). She said grant funds, including the ESSER grants, are used to the optimal extent practical wherever appropriate and permissible to do so in

accordance with guidelines to conserve limited operating funds and to increase rollover capacity. She said one example is the additional nine special education resource teacher positions in the current year compared to last year, eight of which are funded in the ESSER grants.

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

In response to a question, Ms. Siegel said if the district did not have the ISF and ESSER funds, there would be a \$8.5 million deficit. She added the special education and health services she mentioned have predominantly arisen from the pandemic. The superintendent noted the ELL population has increased from 3,900 to 4,700.

Mr. Sokolovic said this is what we refer to when we describe the fiscal cliff. The superintendent agreed.

Ms. Baptiste-Perez joined the meeting.

The next agenda item was on the budget request for 2022-23.

Ms. Siegel said the fiscal goals consist of a structurally balanced budget, a school-based budgeting model, fiscal accountability, and comprehensive fiscal management.

Ms. Siegel said enrollment has declined by 2,002 students over five years, with the greatest loss in 2021. Special education students and ELL numbers continue to grow.

Ms. Siegel said the NCEP (net current expenditures per pupil) is \$16,982. The figure includes all fund sources, including grants that have a narrow focus. She said this is

the first time Bridgeport exceeded one of its peer districts (Waterbury) in this metric, but we remain far behind Hartford and Stamford. If the district were equitably funded with Hartford our budget would increase by \$95 million.

Ms. Siegel said the district is responsible for paying 4.5 times the NCEP for each placement of out-of-district students. There is also a rising amount each year of the percentage of the remaining amount that each district must pay.

Ms. Siegel said special education costs last year were about \$90 million, or 26.87 percent of the total budget. In-district expenditures are about \$69 million and out of district about \$21 million.

Ms. Siegel said the fiscal challenges or fiscal pressures include utility costs, legal services, health benefits, transportation, special education, and ELL.

Ms. Siegel noted the transportation contract is expiring in June 2022. In the prior three years, very low inflation rates were negotiated. Last year's transportation expenses totaled about \$20.2 million. Expenses are rising this year in alignment with the pre-pandemic years.

Ms. Siegel said she displayed a slide on the core curriculum renewal cycle in order to emphasize its importance to the educational program and the magnitude of the expenses involved.

Ms. Siegel gave a brief 2021-22 budget overview. The operating budget is supplemented by federal and state grants. She said the grants include essential services and basic operating needs such as special education services.

Ms. Siegel displayed enrollment trends in special education and ELL. Over five years, special education has grown by 448 students and ELL has grown by 1,298 students.

Ms. Siegel said while needs are rising, revenue is declining due to the overall enrollment. She said when enrollment declines it does not mean that the number of classes declines at the same ratio.

Ms. Siegel said it is believed that the lower-than-anticipated increase in the ECS/Alliance grant was due to the lower enrollment. She added the state Priority Grant has declined by \$1.9 million over seven years. She said the Title I grant has increased; however, it is tied to October 1st enrollment data and is usually a year behind.

Ms. Siegel said the operating budget percentage funded by the city is 27.3; 72.7 percent is funded by the state. In the current year, the city allocated an additional \$2 million, and the state provided additional Alliance funds of \$1.5 million.

Ms. Siegel said the average percentage growth over six years in the total budget is 1.17 per year, which is insufficient to keep pace with escalating costs. The city's contribution was .59 percent, and the state contribution was .58 percent.

Ms. Siegel said ESSER and ARP grants are providing supplemental services that have arisen due to the pandemic. The grants are a one-time infusion of federal resources. When the grants expire, the services would end.

Ms. Siegel discussed the 2022-23 budget request. The projected need is an \$18 million increase. Another \$1.5 million is anticipated from the state in Alliance/ECS. She said

we're requesting from the city \$6 million, which will leave a gap of \$10.5 million.

Ms. Siegel said the monetary need includes projecting every position in the allocation model will be filled for the entire year. She said vacancies occur and not every vacancy is filled immediately, so there are accrued funds. She noted in the current year there are significant shortages of teachers and paraprofessionals. She said a budget gap can be closed taking this into account.

Supt. Testani said the 2.3 percent increase requested from the city is on the low side compared to districts in the area. He said we are asking below that to just try to get somewhere in the ballpark. Last year, the district received \$2 million from the city. He noted the fiscal cliff continues to grow.

Ms. Siegel said collective bargaining totals almost \$5.2 million additional in the budget. Health insurance is projected to grow at 6 percent, which is lower than the early forecast from the consultant firm.

Ms. Siegel said growth is projected in special education costs and transportation costs. She discussed other potential growth factors.

Ms. Siegel said the \$6 million requested from the city is 2.3 percent of the total budget and 8.45 percent of the city share. She said the amount was reduced below the \$8 million needed for health insurance and collective bargaining growth. If \$6 million was allocated it would equate to average growth in the city share to about .8 percent per year.

Ms. Siegel summarized the closing of the budget gap. In addition to the city and state contributions, \$7.5 million would be withdrawn from the ISF; and grant revenue of \$1 million would be applied. There would be \$2 million from gap resolution strategies including deficit prevention mode, position consolidation, position conversions after attrition, and grant funds used for curriculum/technology renewal.

Ms. Siegel described what the operating budget funds. She said the district office is very streamlined with 101 fulltime employees. The chart indicated 69.8 percent goes to instruction; student support is 6.8 percent; administration is .9 percent; and administrative support is 22.3 percent. The contributors to the \$62 million for administrative support include facilities, transportation, and security. The total for benefits is \$64.7 million.

Ms. Baptiste-Perez suggested the number requested of the city reflect the board's actual need and be comparable to the level of other districts. She said this number could be presented when the city is making decisions regarding tax abatements on businesses.

Supt. Testani said to maintain salary and benefits the city contribution would be \$8.5 million. He said historically the district has either been flat-funded or given a few dollars. He said it was not really a negotiation and there are a lot of hands in the pot when we go to the city and education has not been a priority in over a decade in the city. He said when he has broached the subject, he has been told the district has plenty of money from the federal government.

In response to a question, Supt. Testani said the daily rate for substitute teachers has been increased and is almost one

of the highest in the state. He said other districts are having difficulty filling teacher vacancies.

The superintendent said it is unfortunate we must count on teacher vacancies that can't be filled in order to balance the budget. He said unless we can get a loud, collective group together this is going to continue to happen. He said he agreed with asking for at least \$8.5 million from the city. He added that he can't ask the staff to do more than they are already doing.

Ms. Baptiste-Perez moved "*to amend the document to request \$8.5 million from the City of Bridgeport.*" The motion was seconded by Ms. Brown and unanimously approved.

Ms. Baptiste said when she ran for the board this year a lot of people she ran with talked about education in Bridgeport. She said if they can't hold to their promise to fund schools, then we as the board need to hold them accountable. She noted there would be an election in two years when the ESSER funds are used up.

In response to a question, Ms. Siegel said there are teacher positions funded in the ESSER grant such as the eight special education resource positions

Ms. Brown said students require steady teachers in the classroom, especially in a subject like math.

In response to a question, Supt. Testani said when the grants run out the teachers would be absorbed into other positions.

In response to a question, Ms. Siegel and Supt. Testani said the percentage of municipal contribution to education is

much higher in other cities and towns. Ms. Brown said our city is well aware of that. Ms. Siegel said Hartford contributes 31.1 percent and Waterbury is 41.3 percent.

Mr. Sokolovic said the City of Bridgeport, up until this year, has funded the lowest in the entire state on a per-pupil basis. This year we may be the second from the bottom. Mr. Maccarone said that was pretty embarrassing.

In response to a question, Ms. Siegel said needs in the special education budget are funded when they arise.

In response to a question, Ms. Siegel said the historic policy still exists in regards to PAC expenditures, which is that the schools receive a parent involvement allocation with a close date for submission for orders. Any funds that are not expended are lost to the school. The unexpended funds at the elementary level are rolled over by the district within the Title I budget for parent involvement activities at the district level. She said last year the schools did quite well and there were only about \$2,000 remaining. About \$18,000 from the prior year is continuing to be carried forward for use. She said \$27,000 is available for the parent convention this year, which represents three years of allocations.

In response to a question, Ms. Siegel said the presentation indicated a monetary need for \$18 million next year.

Ms. Castillo commended her colleagues for their contributions tonight.

Ms. Sokolovic said the district was always in deficit prevention mode and the budget seemed to depend on saving money by our more experienced teachers retiring and hiring less experienced teachers, while depending on

substitute teachers covering classes. He said this is a sad state of affairs. He said there is excuse after excuse from the city for contributing the least amount of money to education. He noted Waterbury gets less money from the state but contributes more money per pupil.

Mr. Sokolovic said we are coming to a reckoning in the next two years when ESSER funding runs out and the fiscal cliff arrives. He said this scares the heck of him due to the lack of emphasis put on it by our state and local elected officials.

Ms. Siegel then presented on the food and nutrition budget for 2022-23. She said it is essential to recognize that the budget is solely funded by federal and state funding. She said a number has to be specified to the city for placing in the MUNIS system, however, the board only spends up to the level of the state and federal funds received, not the budgeted amount.

Ms. Siegel said two special allocations were received in the current year, but they are believed to be one-time allocations. These totaled about \$1.6 million. Total revenue projections for this year are \$19.3 million.

Ms. Siegel said next year \$22 million is being used to set up the budget in MUNIS, but spending would only occur up to the actual revenue received. She noted the budget includes projected expenditures line by line, including minimum wage and contractual increases. Standard indirect costs are also charged to the budget.

Ms. Brown moved *“to move the budget along to the full board with the revisions noted previously. The motion was seconded by Ms. Baptiste-Perez and unanimously approved.”*

The next agenda item was an update on ESSER funding.

Ms. Siegel said the first grant is ESSER I or CARES, which expires September 30, 2022. The district received \$8.7 million. About \$1.4 million was carried forward into the current year. About \$200,000 is currently remaining, which is encumbered for the Teachers' Choice e-card program.

Ms. Siegel said the ESSER II grant continues until September 30, 2023. The district received \$44.6 million. It is projected between \$20 million and \$23 million will be spent this year, with all funds to be spent according to the plan by the end of the grant period.

Ms. Siegel said ESSER III is known as ARP/ESSER, which expires September 30, 2024. Bridgeport received \$123 million. Over 20 percent is dedicated to learning recovery. Projected expenditures this year are \$28 million.

In response to a question, Ms. Siegel said we are on track to spend all the ESSER funds in a timely manner.

The next agenda item was on redirecting funds from planned programming to pay supplemental district employee compensation related to work performed during Covid-19.

Mr. Sokolovic said he was intentional about the wording of the agenda item because it would redirect funds. He said discussions on this began three or four months ago. He noted the city has thrown the board for a loop. He added these are real dollars that can only be spent once. If it is given from one place, it has to be taken from another place. He said our staff works very hard and he understands their work through the pandemic. He said he worked through the

entire pandemic on his job, not from home, but contracted Covid one month from retirement. He said the pay was deserved, but the question was how to expend limited funds after a cost/benefit analysis.

Supt. Testani said his recommendation is to allocate a dollar amount from the ESSER allocation that we will put aside. He recommended setting aside \$2.4 million for premium or hero pay as a token of our appreciation. He said parameters were needed for folks who worked during the time frame that is established. Employees who took a leave of absence would not be eligible. He said the exact eligibility can still be hashed out.

In response to a question, Supt. Testani said the city is willing to fund AFSCME and NAGE employees as part of their budget. He said he will sit down to work with BCAS and BEA for allocation of the \$2.4 million.

Mr. Sokolovic noted the board does not bargain with NAGE, so according to the guidelines we can't even enter into an agreement with them. The superintendent said the \$2.4 million would be plenty of money to reward the BEA and the BCAS for a job well done. He said any unexpended portion will go back into the ESSER plan for services.

In response to a question, Ms. Siegel said funds on reserve in the ESSER plan would be redirected from curriculum or technology that are not committed yet to a specific use to this expenditure.

Mr. Sokolovic said there is a benefit to the district for allocating the money to staff in recognition of their service, but the other possible expenditures have value also.

In response to a question, Supt. Testani said the grant allows its use for premium pay. He said he viewed it as taking a little bit from everywhere. He said he believed there would be savings from PPE going forward due to past purchases. He said he believed \$2.4 million is a reasonable amount. He said the time frame for service has not been finalized. He said eligible employees would still have to be employed by the district.

Ms. Baptiste-Perez said she would be interested to see the standards established and a clear plan for a specified period. The superintendent said the teachers who were on the frontlines in the classroom deserved recognition. He noted the district had probably the most underpaid school staff in the state.

Mr. Benejan thanked those in the audience for being here and their hard work for our students. He said he believed the money was deserved because they were risking their lives.

Mr. Maccarone said he agreed with Mr. Benejan.

Mr. Sokolovic said if the matter passed here, it would go on to the full board, and if approved there, the MOU will have to come before the board for approval.

Ms. Castillo said she did not believe there was anyone on the board that does not feel the staff, administrators, and teachers do not deserve premium or bonus pay for their work during the pandemic.

In response to a question, the superintendent said he believed about a maximum of 1,600 employees would be covered. He said the cost would amount to a contribution of about \$125 per student. He said he asked a lot of these folks

over the last year-plus and they rise to the occasion every time. He added he wished he could give them more.

In response to a question, the superintendent said it could amount to a payment of \$1500 for each person.

In response to a question, Supt. Testani said he was aware of Stamford approving \$500 payments to its staff. He said he did not believe Stamford received as much federal relief; however, their staff is much higher paid than Bridgeport's. A member of the audience said New Canaan employees received a payment also.

Mr. Sokolovic said it was no reflection on the teachers and what they deserve, but when we cry poverty and we spend more than affluent towns it doesn't look good when we're advocating down the line for more funding. He said these are hard conversations because we're a poverty-stricken, underfunded district.

Mr. Benejan suggested opening the floor to the president of the unions. Mr. Sokolovic said the time to talk was between the superintendent and the unions after the motion passes.

Ms. Brown moved "*to redirect \$2.4 million from ESSER funding in order to provide the BEA and BCAS with ESSER funding for prior service during the pandemic.*" The motion was seconded by Ms. Baptiste-Perez and unanimously approved.

Ms. Baptiste-Perez moved to adjourn the meeting. The motion was seconded by Ms. Brown and unanimously approved.

The meeting was adjourned at 8:05 p.m.

Respectfully submitted,

John McLeod

Approved by the committee on February 23, 2022