

RECEIVED FOR FILING

East Haven

DATE 04/06/2023 TIME 03:59 PM

TOWN CLERK'S OFFICE

EAST HAVEN, CONN

Lisa Balter

TOWN CLERK

**EAST HAVEN BOARD OF FINANCE
BUDGET WORKSHOP MEETING MINUTES
MARCH 13, 2023**

The East Haven Board of Finance held a Budget Workshop Meeting on Monday, March 13, 2023, at 6:30 P.M. in the Senior Center in order to transact the Following:

Roll Call

Mayor Joseph Carfora, Richard Esposito, Beth Purcell, Al Purzycki (joined around 6:50), Chris Perdo and Ralph Vitale (by phone) were present. Jim Keeley, Finance Director was also present.

a. Board of Education (555)

Erica Forte, Superintendent and RJ Caponera Chief of Operations and Fiscal Oversight

Erica Forte stated the mission statement is bolstered alongside our belief statements and also our most recent adoption of the East Haven vision of the graduate. This merges our mission, belief statement and our vision for what the skills and attributes for what every East Haven student should have prior to walking across the stage and graduating should be. I have included what some of the BOE goals. We refer to them as COAT. (Culture and climate, operations and fiscal, academics and talent. Those four priorities or goals are about what our budget is. Our budget supports all four of those areas, so we can achieve the outcomes we desire for kids.

Ms. Forte stated the BOE proposed budget is just over \$50 million dollars which is an increase of 2.4 million or 5.16 %, and stated this is a reasonable request given the inflation, cost of salaries and 75% of the operational budget is staff and benefits. The data is included in the packet provided about the school district in general. We are very diverse, just under 50% for white students, 40% Hispanic and Latino, 4% Asian, 6% Black and African American and 3% classify as 2 or more races. We do have an increase of English language learners. Last year we were at 10.3%, this year we are just over 12%. Many students coming in as second language learners are completely not fluent in English at all. They are coming directly from other countries. Our Special Education population is stabilized around 16.6%, but we are realizing, even though that number is stabilized, the needs of the children are significantly greater. The services and supports that they require to be successful have grown and are magnified and some of that was brought on from the pandemic and post pandemic.

A large portion of our budget is dedicated to the special education supports and resources and we are required to be compliant. We are seeking additional resources and staffing to be able to ensure our specialized students have sufficient time with non-disabled peers as required by the State.

The breakdown is presented is provided in the packet provided.

Our Expenditures for Special Education, you will see in the pie chart provided in the attached, where we are compared to the State. Very comparable.

Our high school graduation rate and college career readiness, we are at 93% of our students 21/22 taking career and readiness courses. We anticipate that trajectory and that level will remain for this year. A 4-year graduation rate in 2021 was 81.3 and we project for 21/22 80.1% of students who will be on track to graduate. On track is defined as our 9th students earning 5 or more credits after their 9th grade year and projected to graduate within 4 years. We are struggling with chronic absenteeism. We were doing well prior to pandemic and our rate was decreasing significantly. We got down to 12% as a district prior to pandemic. In 21/22 we were at 22%. That is defined as students missing 10% or more of the school year. If they attend 180 days of school and they missed 18 days they are considered chronically absent. If we get a student who only stays in district for a month, if they miss 2 days out of that month, they are considered chronically absent and that gets reported to the State. The State does not recognize excused absences, surgery, sick, death, etc, We do a lot of home visits, phone calls, etc. to try and find out why they are not attending school. We are finding out that they are staying home when they are sick, but we need parents to understand if they don't have a fever, you need to get to school. 1 out of every 3 students is detrimental. It is a huge nationwide problem.

Beth asked about Covid, but Ms. Forte stated she thinks the rates are higher than Covid. Everything is impacted so we need our kids back to school.

We are community eligible for free lunch and breakfast every day, that 20/21 number is a reported number off the direct certification list and the certification list for 22/23 is about 58%.

Our enrollment is 3100 hundred students. We are fiscally responsible for students attending New Haven magnet schools because we do have to pay for those services, speech, PT, OT, special education services. We have about 44 home schooled students. We have 84 students attending independent and parochial schools.

For the shortage of certified and non-certified staff out there, we are in a lot better place than most of the surrounding districts. We have staff that is willing to take on additional 6th periods in areas where we are having trouble finding staff, science and math in particular. The biggest turnover is para professionals. During the pandemic we did expand the number of paraprofessionals that we had to include a para in every 1st grade classroom as well. We have additional grant funds to be able to maintain paras. Our staffing total is high, just under 600 people district wide. We are proportional to the State level.

RJ will discuss the 5.16% increase. RJ stated referred to the handout regarding the breakdown of salaries, employee benefits, etc.

The process did not change; we roll over in our system and all current positions roll over, it only rolls over a name if there is a name attached, so any additional positions that we are requesting are manually added. What is in the budget is everybody that is

in a position and the vacancies that are posted are only vacancies based on people leaving at that time. We calculate our ? benefits ? That includes our HSA, MERS, SS, FICA and MEDICARE. Our system calculates that for us based on the employees that our rolled over. We then meet with our principals and department heads. They come up with a budget request for us to make sure they are requesting what they need or see forthcoming in the current year. We take all of that information and that is what we use to provide as our first run at we are proposal. We fine tune it and we will look at every line item, utilities, maintenance costs, copy machines, and we look to see where we can save some money. We then look at utilizing grant funding. We have certain grant funding. We have some grants that are consistent from year to year and then we also look at what is available at the State and Federal level to apply in excess and look to offset some of the costs. Once that is done it comes to us for final approval and we bring it to our Board, just like here, and our Board will give us recommendations and changes and it finalized. Our current budget is 48.1 million. Our proposed budget for 23/24 is 50.6 million. The main drivers are salaries 1.3 million and special education at 1.2 million. Any other offsetting expenses we were able to find offsetting expense to not bring that forward in the proposals.

We kept medical insurance flat and special education increase you will see on the attached.

Salaries; we have new teacher contract. Our teachers were up for negotiations last year and we provided them a solid contract going forward. That contract brings a \$900,000.00 increase to our budget. Our teacher went through a lot over past few years and based on prior contracts of what they were not making and staff leaving going to other towns for higher salaries, we feel this will keep us competitive and allow our turnover to lessen and make us more competitive.

Once you have a certain threshold for (inaudible), you are required to have a full-time staff. We have met that threshold for that department.

We can't pinpoint the retiree. The last 2 years we had a lot of retirees and resignations because of Covid. This year we haven't had any so far.

Erica Forte stated she is an adjunct professor at Southern College for over 10 years in the masters program. I would have anywhere between 18 and 25 students. Over past few semesters I have had only 6 and 8 students. There is a huge decrease in enrollment. As part of our recovery grant, we wrote funds in to get interns. We put in for 11, we were able to get 3. That is why contracts are settling at a higher rate.

Special Education this year we are at 4.6 million. Predominately we are seeing what Erica mentioned the makeup of our students is changing and the number is not. Students may need services that we can't provide. WE are seeing are younger aged students getting acclimated. Those rates, like ACES, the rates are \$70 or \$80k a year per student. We had 5 students that required wheel chair transportation, this forced us to get new busses, so based on where we are now, this is our 1.2 million jump. There is a calculation the state provides us that states anything over a threshold per student based on your per pupil cost the state provides you, ? inaudible times per pupil cost, anything above and beyond that, we submit to the state for excess cost and they will reimburse us dollar for dollar. Again is 86% of that excess cost that we submit. So

this year we submitted our proposal already. They already gave us 1 million and we are projecting another \$150,000.00 to come in.

Erica Forte stated they work hard to keep students in district. However, when it is dangerous or disruptive and impacts the other students, we have to make tough decisions to make sure all students are successful. When we can we try to bring them back into our district. 70% of current seniors at the high school, started with us. 30% turnover, and a lot of kids in and out. The children coming with specialized needs or have already been in a specialized school, living in a different town.

Rich Esposito thanked Ms. Forte for explaining. Chris asked if they do that with all the magnet schools. Ms. Forte stated it is a little different because they don't charge us tuition for a magnet school unless a voag magnet and we are budgeted for that.

There was discussion about the Academy and whether it was a magnet school or not. It is not per Ms. Forte.

Medical Insurance-Our provider provides us with a projection. We thought the projection was a little too high. This year we made a change and took a 5 year average of our past claims and used that as our starting point.. That was beneficial. Based on that, our teachers our healthy, but we do expect our costs to go up between now and June. We are a month and a half a head of where we were last year. It is a positive trend. So based on that we are projecting that our claims stay around the same as last year. We have built in to this proposal is the same method as how we would split it. \$600,000. coming from our medical reserve and we had a \$400,000. contribution from our medical fund. We have already withdrawn \$600,000.00 from our current medical fund from this year.

We need money in our reserves and the recommended amount is 2.8 million. We currently have 3.9. Our special education costs are trending high and we have a little cushion.

We have contracted with Lockton to make sure we are remaining competitive as being part of the consortium. Lockton will bid us out independently and we will compare that with the consortium rates and we will make sure we are getting the best insurance rates possible. All of that may change based on what Lockton renewal rates come back as. Mayor Carfora asked when Lockton will get the rates to us. RJ stated He believes Lockton will get back to us at the end of April.

Ms. Forte stated the current budget keeps us status quo.

Our renewal rate for this year over last year was decent. RJ stated this is all positive for us. If we have a healthy year and everything stays flat, this is less money that we charge our staff to pay for insurance. It is great they are getting a raise in their new contract but if rates go up 5% for insurance, their raise is going to go straight to medical. It is beneficial to remain as stagnant as possible for this.

Chris asked about the inaudible medical insurance in their contract. RJ answered yes their medical contribution will go up in year one, flat in year 2 because many of you know we extended the school day for a half our for 3 years with our Esser money. Next year will be the first full year of that money, year 2 of their new contract that money goes away so they will go

back down to a regular school day but their salaries will not have the extra half hour of pay. So when we calculated their contract we thought it was prudent of us to not increase their insurance contribution the same time when they will see a little hit in their paycheck. So based on the current contract with the half hour expiring and their step raise, they should remain flat from year 1 to year 2 and not see a decrease in pay. Then year 3 it will go up to get them back on track.

Grant funding: These are grants that we can rely on every year. This money is allocated through the state process. We apply for it and we tell them where we are going to spend the money. We send proof that we met their obligation before they send funding back to us.

The other grants are the Esser grants, and the balance is 4.5 is left for this year and the end of next fiscal year and then that money will be done. Beth asked if they were covid funds. RJ responded in the affirmative.

The last page shows the variables.

With approval from the Mayor's office, we contracted with a solar company for the high school and we will be replacing the roof. We will not be requesting any funding with that roof. A savings of 4 million. We will consult to see what other schools in the area. We identified 2 already that need roofs, and the others need panels and we will get a PPA agreement. We went through the CP green bank to get funding for that and it is a grant opportunity through the state of CT specifically for municipalities and education. So, we were able to get a fixed rate through Green Bank and they factor the cost of the roof through the PPA. No up-front cost and comes with a guarantee on labor and the material.

Ms. Forte stated they received a grant for mental health workers. We are able to increase our social worker team by one individual and another round of money was just released so we will be applying for that. We are using some additional grant funding to run some summer school programs and keep kids in school for a couple of weeks over the summer to help reduce the summer slide. Anytime there are grant funds available we are on it. A lot of times we get it, sometimes we do not. It is our desire to keep applying for those funds as in addition to manufacturing, culinary, nursing, auto, wood technology and we want to also do aviation.

Chris asked about staffing. Teachers we are short 2 or 3 but we are far along in hiring process. We have also had to hire para professionals for incoming students to have supports. Those postings are up too. It is hard to find paraprofessionals.

Beth asked on the Budget summary sheet under professional services if part of that goes to special education. RJ stated that part of it does. Beth questioned purchase services and it was up by 659. RJ stated that that line is our bussing contract. There is an annual contract. This incorporates our annual increase of 3% and the required transportation for the special ed above and beyond the current year.

Beth asked about ? property. The property is predominately software from IT. A lot of it is updating security. We could do a background check on visitors at the high school.

The high school is a community hub too, so we rent it out and we use those funds to put back into the facility to upgrade the auditorium lighting and technology and sound boards to keep it up to date without putting hundreds of thousands of dollars in this budget.

Al stated concerns about when he hears things are for free. RJ stated he wants to be clear that

nothing is for free. When we did a 25 year cost analysis of the PPA the estimated outflow of cash over years 1 thru 10 was an increase of \$480,000. From year 10-25 we see savings, netting us a profit of 900,00 over 25 years. Al asked what is the fixed price for electricity? .17 per kilowatt.

Beth asked if the solar panels on the schools now, are they working. RJ stated some are 10 or 12 years old. They are not operating at peak efficiency.

Chris asked about special education. (inaudible) Ms. Forte stated that the program switch was just made 22/23. Last year our programing was a little different and that is why it came in a little lower. We were at 56%. The percentage of students with disabilities ages 6-21, we need them to spend 79.1-100% of time with non-disabled peers. In 2021/2022 last school year our programing was designed so that only 56% were spending time with non-disabled peers. So, we changed our programing and now includes more in regular classroom settings so that we are hitting the thresholds.

Chris asked about ESL. Ms. Forte stated they hired one additional ESL person. They are hard to find.

Rich asked about graduation rate. Ms. Forte stated there is a 23-page document explaining the 4-year graduation rate. Chris asked if we see kids attending summer school. Ms. Forte stated we see them attending, however you can only make up so many credits, 2 credits per summer.

There is always work to do regarding recommendations, but we have much less than from when I started here.

Beth asked about teacher absenteeism. Ms. Forte stated over past few weeks it has greatly improved. People are sick, but we put some parameters in place to help people think about the days they are taking.

Adjournment

Beth Purcell made a motion to adjourn. Chris seconds. All in favor.

Board of Finance Clerk

Susan Mauro

March 23, 2023