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**EAST HAVEN BOARD OF FINANCE
BUDGET WORKSHOP MEETING MINUTES
MARCH 13, 2024**

The East Haven Board of Finance held a Budget Workshop Meeting on Monday, March 13, 2024, at 6:30 P.M. in the Mario Giamo, Joseph Vitale Meeting Room, Lower Level in order to transact the Following:

Roll Call

Mayor Joseph Carfora, Richard Esposito, Beth Purcell, Al, Chris Perdo and Ralph Vitale (by phone) were present. Jim Keeley, Finance Director was not present.

a. Board of Education (555)

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

Erica Forte stated it is always a pleasure to come to the BOF and appreciates the great questions and inquires. Last time we talked about the vision of the graduate, those are the skills and attributes we want all kids to have before they graduate. That work is continuing and we are working on a portfolio where the kids can showcase all their work over the course of the 4 high school years. Everyone knows we want kids to read and write, have math and science. When you look at these attributes, they go beyond that. They are real world life skills that CEOS and fortune 500 companies want kids to have before walking through their door. Problem solving, communicating, being able to work with others and not being afraid to fail. We have to explicitly teach those skills and show kids how to work through attaining those skills. The BOE has goals and this presentation will encompass those goals around culture and climate, academics, & operations in Town. Those goals drive what we do daily and are completely aligned to the fiscal request we are coming to the BOF and the Town with. The BOE proposed budget for 24/25 is just under 52 million with an increase of just under 2.8 million. It is about a 5.65% increase. We are asking for this because our population is changing and becoming more diverse. The percentage of English language learners, those are students who are coming to us as non-English speakers or very limited. Since 2019/2020 school year we have increased about 3%. Well above the state and that number is continuing to rise. Students are coming with no English. We are starting baseline and that means we need staff that can adequately help them become acclimated but also access the learning in class rooms. The learning is a little different because the research states it takes 5-7 years for students who are learning a 2nd language, to acquire that 2nd language. That is only if they are completely literate in their first language. Many of the students are coming to us not being able to read or write effectively or efficiently in their dominant language. Rich asked if we have the talent base to take care of this 12%? Erica Forte stated we do but

this budget request does include additional ESL and bilingual teachers to help support these learners. Our special ed population is also increasing along with the state. We are up to just under 18% and the state hovers around 17%. As we build bigger and more robust programs people research that and they move into towns specifically for the programming. We try to keep students in district so the cost for outplacement remains low. I believe we came to you last year and told you we had 16 students move into district who were already in outplaced facilities last year that were completely underbudgeted for at \$80k- \$100k each. RJ stated that some of those students may be outplaced for behavioral problems so bringing them back is delicate because some of them requires nurses, etc. so, we do not disrupt the other students in the class room. Erica included some special ed data on the pamphlet handed out to the BOF. The percentage of students with autism, we are just under 20% and that comes on a spectrum. Some kids can function highly in a regular classroom, others need specialized settings while others need to be outplaced and have a full-time nurse with them all day every day. This comes with a lot of internal district supports but also the need for external placements when we cannot program for them properly. Al asked where ADHD come in. Ms. Forte stated that comes with a 504 plan and are not included here. Beth asked if these students with special needs include the students that are (inaudible) facilities. Ms. Forte answered yes. Ralph asked who makes the determination of our students who goes out of district and who goes in district. Ms. Forte stated Bob Swan who is the director of pupil services but we work very close together in evaluating that. We recently sat down with Bob and looked at outplaced students and we have somebody who attends the PPTs outside of our district and when we see they are doing well and/or responding and/or we have the physical and staffing capabilities to bring them back, we will. We have or will by end of the year will have 3 students back fully and program for them. Some of them have unique disorders or disabilities that require full time nurse. If can program for them internally and only have to absorb the cost of the nurse we will do that. It is not without great caution because as RJ said we must make sure it is safe not only for them but everyone else that is around them. Ralph stated last year you said you got 16 new students, how many new do we have this year. Ms. Forte does not have that off the top of her head but states they are trending about the same number of students that were outplaced last year as there was this year. So, as we brought kids back to district or kids have moved or kids have come in, we have remained stable, the number. RJ stated that is a moving target for next year when we sit with Bob quarterly we aim to bring back 10 for next year and when the summer comes and new registration for kindergarten come, you may have 6 that are going out. Ms. Forte stated there is a statute change and we used to have hold kids until they were 21 now it is up until their 23rd birthday. So, kids who might have aged out who might have come with large price tag, they may be with us for an additional 2 years. It equates to \$300,000. The state gave a grant to help supplement that which is \$20,000.00. They have 3 kids and it is about 100k each and the State only gave us \$20k. Special ed class last year was over spent by 1.6 million for special education. Chris stated there were cuts made by the state. Erica Forte stated yes. Ralph asked about the number for this year, is that the number we need. Ms. Forte stated correct. This is prepared in November or December and things fluctuate so much. All the schools, Aces and the behavioral schools are going up 4 to 6% per year on tuition and transportation as well. We do not have a choice to shop around. That is for outplacements. Any student who attends the New Haven magnet who needs specialized services, such as speech, OT, PT, etc. the district is billed for that.

We are continually checking residency to be sure they are still residing in East Haven. We update if they are not so we will not be billed if they no longer reside in East Haven. There are over 400 of those kids, not all requiring those services. Ralph asked if we pay tuition for the magnet. Erica stated no, just get charged for specialized services.

Graduation is tricky when we talk about the number of 12th graders who started with us last year and graduated, that number is around 96%. That is not the way the State calculates it. They calculate it as the number of first-time 9th graders that graduate within 4 years. That includes any kid that did not start with us or leaves us. If 20% of the high school turns over, and those kids are 2nd year freshman, they count against our graduation rate. Ralph asked what that rate is. Erica stated our rate right now for on track is 85.2 and we are currently just under 82% for the graduation rate over all, that is the percentage of first-time 9th graders who graduated within four years regardless of whether they started with us or not. There are some other measures in there. The chronic absenteeism rate, is so important. Since the pandemic we have struggled so we have tried to put together additional supports in place reiterating the importance of kids attending school every day. We are trending as of the last day in February to under 20% as a district. That would be a huge gain for us. Our free and reduced lunch, everyone is eligible, but 52.9% of our students qualify automatically through direct certification through the State. Ralph asked if we get money for that. RJ stated we get reimbursed a percentage based on our school lunch program for every meal from the State. Ralph stated so we do collect some money for that. They included it to show how our demographics are changing.

RJ stated we have obtained grant funding to do vision to learn and partner with our community health care to do dental screenings for our students as well. It was a van to all our elementary schools and gave everyone a vision screening test and if they needed glasses, paid for the glasses with a 2-year warranty. One out of 4 students from k-5 needed glasses and the same thing with dental side.

Erica did a quick data analysis for the first group of kids two or three years ago who went to vision to learn and their assessment scores. Over 70% of the students who received glasses grew one or more grade levels in their assessments from the beginning of the year to the end of the year. There are things beyond our control and look into to find ways to help to assist us in our daily efforts.

Enrollment is pretty stable. We see pockets of inaudible of certain grade levels in certain schools where we need to add a teacher here or there but it is consistent. Even though the enrollment is around 3k we are fiscally responsible for the additional students who attend magnet schools, tech schools and voag schools. We see an increase in students who are being homeschooled.

Beth asked about the students who attend independent or parochial school we do not pay that tuition. Erica stated correct.

Chris asked what the graduating class size is. Erica stated it is around 200 or 225.

There are a lot of programs in the school that require space.

Staff: The number of administrators has been consistent over the past several years. We are budgeted for 19 administrators for next year. Staffing Board certified just over 300 and we are just under 600 faculty and staff district wide, certified, and non-certified. RJ stated that is plus or minus 2 or 3 from last year. Proportionally our district is very similar to the state make up, specific to the difference in the number of administrators or instructional specialists or student support services. We are not under or over staffed in any one of those categories. Ralph asked if the special ed teachers in the 302? RJ stated those are personal contracts and are non-teaching certified, speech pathologists, etc. Al asked about teacher retention. Erica stated we are very fortunate. There is a shortage out there and the state is trying to create flexibility with certifications, but Erica stated she teaches a class at Southern and it did not even run this semester. She used to have 22 students and last year was 5. We are partnering with Quinnipiac next year to take some residents; this is part of our talent recruitment and retention. We will take resident teachers in the program from Quinnipiac in their final year of study and spend an entire year in a class room with a certified teacher co teaching, learning, planning, etc., 2 in math, 2 in science and 2 in elementary level. If our strategies work those individuals will end the 2024-25 school year with a certificate ready to teach, we can acquire them. We will be using some grant funds. Filling para positions is really hard. The para pay right is between \$19 and \$25.00.

Ralph asked the difference between a para and a certified para. If a para has a bachelors they get paid at a higher rate than one with an associate or has no college credits. The degree does not have to be in education. RJ also stated there is also a certified line in that contract too that if you are a teacher who retires and they want to come back as a para, they can come back at a higher level.

Ralph asked what is mid management mean. RJ stated it is tech director, data specialist and finance manager. They are not educational. Ralph asked how many buildings do we have children in during the day. There is one nurse in every building. High school is part time CNA helping.

RJ stated the budget proposal is in the handout.

The allocation for salaries last year that went to support the new teacher contract was greatly welcomed and teachers felt valued and appreciated. It helped with retention.

We calculated certain benefits using forecasting in our system which is MERF, Social Security, Medicare, Fica, because that is a strict percentage off our salary numbers. We meet with our principals and department heads in November. That entails us sending them their current year figures and asking where they expect to land based on the end of the year and what do you see forthcoming in the next year and if there are any special requests for building material or from teachers. Once we get all that together, RJ, Erica and the finance manager get together and combine all those requests equals x dollars on top of salaries to get a good idea about what a good ask would be. We go through that and x off what we would include and what we would not include and how to utilize our grants to fund that without absorbing it by the general fund and then we are left with a true number. That goes to our Board and they vote and then to BOF.

RJ spoke on the handout provided. Our adopted budget for our current fiscal year 23/24 is the 49 million. The details on that handout makeup the main drivers bringing us to our proposed budget of \$51.8 million. Predominately you are seeing our salaries is \$1.4 million of the \$2.7 ask million request. Of that the teacher contract this year, the last year of the first year of the step increase was \$900k this year it equates to 1 million. The teachers' contract is 1 million, the administrators are \$100k and our total non-certified staff is \$200k. There are some position changes and retiree savings as well but these are the main points that make up the 1.4 million.

The comment that we are always administrator heavy only equates to \$100k of our 2.7 ask. Erica stated this does not include an additional administrator. We have 19 now and 19 next year. It is a contractual raise.

RJ stated for medical insurance we propose to absorb \$800k into our general fund budget to make sure we are fully sustainable in our coming years. The computer (inaudible). We had a lot of money with COVID where we were able to purchase chrome books for our students and new MACS for our staff which only have a life of 3-5 years. We explored this year and what has worked well for us as we explore the manufacturing program, the sound studios, and the aviation program, they all needed specific equipment to run the software that we obtained for the curriculum. As we projected with our tech department we have 3k chrome books out for students and if we do not start planning now, in 5 years we will have to purchase 3k chrome books which was \$1 million dollars. We explored leasing computers where we have a 5-year rotation where this year it is 100 computers which equates to \$100k. So next year we cycle out these computers and there will be a fresh rotation for staff and nurses. That \$100k will jump up by \$250k by year 5 but it gets rid of the roller coaster ride for the budget.

Special ed we talked about that fluctuation. Our transportation contract is an increase of \$100k, our spend for that is 3.7 million dollars, a 3.75% jump for this year. Worthy to note that when we negotiate that contract we do not have a fluctuation in there for gas. As gas and diesel go up and down we are not affected by that.

Software: as our grant funding is going away from the state, the \$100 is our IREADY diagnostic software for our students that was fully absorbed by a grant which we could not absorb the entire piece anymore so that \$100k is absorbing that which is a curriculum item that needs to stay.

The contractual increases, salaries, computers, special ed, medical and transportation are what we need to do to operate for the next year. Beth asked about property. RJ stated property is our other software, such as what is on our chrome books for our students.

Budget drivers. Teachers on average will receive that \$1 million which equates to a 4.7% raise on average. Non certified staff is 2.4% and administrators 3.3%. Position changes; currently at Momauguin and Tuttle School we have .5 full time equivalence for ESL and we are looking to make those full time in each building to meet the need of the incoming population. The academy special ed teacher is to fulfil our (inaudible) program at Deer Run for our ABA program. There are 7 or 8 students from Deer Run to the Academy, which already has 9 ABA students. That special education full time staff is to be able to handle the movement of students that will be there. Looking to get some part time people, monitors to help in the school.

Retiree\Resignee Savings: We had two retirees, projecting 2 retirees and 2 resignees and the thought process is that we took a 5-year average of when people retire on average, we save \$40k per retire. Rich stated there is no guarantee. RJ said correct.

Chris asked if the notifications of when they are leaving, has that been happening. RJ stated yes.

Special Education budget equates for a large portion of transportation and tuition related to the new students that we mentioned. The state is underbudgeted 58 million for all the Towns.

Medical Insurance: Our last trend where claims were for the year and we now outsource to Lockton which the Town uses as well. They are the middle man for us. They represent us in the consortium. Lockton will make sure we are getting the best price. Getting the best rates we could. Lockton pays for itself because we reduce our management fee to the consortium. Based on what Lockton gave us and based on a 5-year estimate, we are projecting our medical cost to be \$9 million dollars, which is a \$600k jump.

Estimated claim of 9 million, Employees contribute about 2.2 million from that based on their contractual obligations and we are able to absorb about \$700k in grants. That grant absorption is slowly going down. We are using it more toward (inaudible) items rather than the medical side. We have to choose between how we balance of providing to the students first providing toward the salaries and benefits. That leaves what we have left of 6.1 million of what we need to find a way to pay for. Last year we budgeted 3.5 million and we had a budget variance of 2.6 which came from the medical reserve. We were going to use the medical reserve to offset this fund when we did not receive the full request last year we had to increase that medical contribution from the reserve fund to make the budget work, so currently our account balance is in the 1.5 or 1.6 million range. Two years ago, it was at the full 4.3 million. Erica stated it is below the threshold that they recommend for the reserve. So, we have the same thought process as last year, we absorb 800k of into the general fund we would use the 1.9 which we budgeted for here and we hope to have at the end of year. If we did 800k in the general fund every year we would slowly work our way into absorbing the medical into the budget but circumstances, more than likely, it will be expended to zero in 2024/2025. The 25/26 budget, the whole 6.1 million would need to be absorbed. Erica reiterated that they have a reserve account and would like to take a small portion out of it over the next 5 to 8 years and ask for an allocation so that it balances out so we would not come one year and ask for an enormous amount. The allocations did not come through and our budget for special ed services was over and we drew far more down from that account in a quicker period of time and it will be fully expended and there will not be any money in it if next year based on this at the end of 24/25 year if we do not get the allocation. Then most likely we will be over spent and come to the Town for a large ask.

Lockton recommends what you should have in your reserve. The guard rails are 115 to 125 of your projected claims. Based on our projected claims of 9 million we should have a minimum account balance of 1.9 million. We sit at around 1.6. We should not take from this but it is expected to fully expend it.

Chris asked with the new teacher contracts what did it end of being for the new cost share. RJ stated 21% by end of contract.

Grant funding: Recurring Grants, remaining one-time grants and Overbrook. We obtained a lot more seats in Overbrook in our preschool program which obtains us a lot more money to prepare our students. We are at full capacity now which is great. It also feeds our kindergarten program but we also need space. Overbrook is 95% self-sustaining with the increase in grant funding. On the flip side the recurring grants, the title money, the alliance money, special ed money, you can see it slowing going down as our costs are going up. The one-time grants are mostly related to COVID mostly. If you look at our grant money, it looks like we have a lot of available money but it is one-time grant money allocated for specific use that we cannot count on again.

Adjournment

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

Board of Finance Clerk

Susan Mauro

April 8, 2024