



East Hartford Public Schools



Budget Presentation Series
Town Council Presentation
February 27, 2019



Expectations
Matter

Effort
Matters

Competence
Matters

Solutions
Matter

Relationships
Matter

Results Matter

VISION:

Schools that are the
Pride of our Community

MISSION:

To deliver a high quality learning experience for
Every Child, Every Day

Presentation Organization

Purpose

- To **present** the FY20 EHPS Adjusted Budget to the East Hartford Town Council
- To **communicate** current budget drivers for both revenue and expense
- To **work collaboratively with the Town and BOE leadership** to present an adjusted budget request of \$91.6M or 1.1% increase

Agenda

- Part I: The Context of the FY20 Budget
- Part II: FY20 Adjusted Budget Proposal Summary
- Part III: Budget expenditure/revenue factors
- Part IV: Summary/Conclusion
 - Questions/Answer

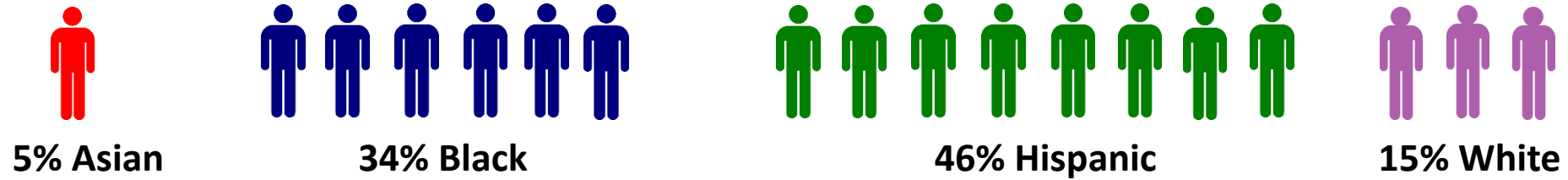
Part I: The Context of the FY20 Adjusted Budget

Budget Themes

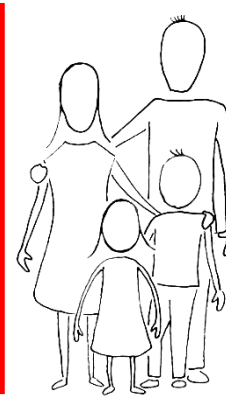
- **Aligned** to EH2020 Vision and priorities
- **Responsive** to current state and local budget contexts/challenges
- **Forecasts** both expenditures and revenue that will continue to unfold in the budget process
 - \$2.2M additional Alliance/ECS funding
 - Includes flat funding SPED/Magnet costs
 - Forgoes OPEB Benefit Contribution for FY20
- **Maintains** current services in response to significant personnel cuts required by the FY19 Budget process
- **Adjusted** to continually to match the dynamic context of the Town and State Budget Process

Part I: The Context of the FY20 Adjusted Budget

District Profile



100%
CEP Schools/
Free and Reduced Lunch



\$15,782
Income threshold to
qualify for free lunch
(1 child)

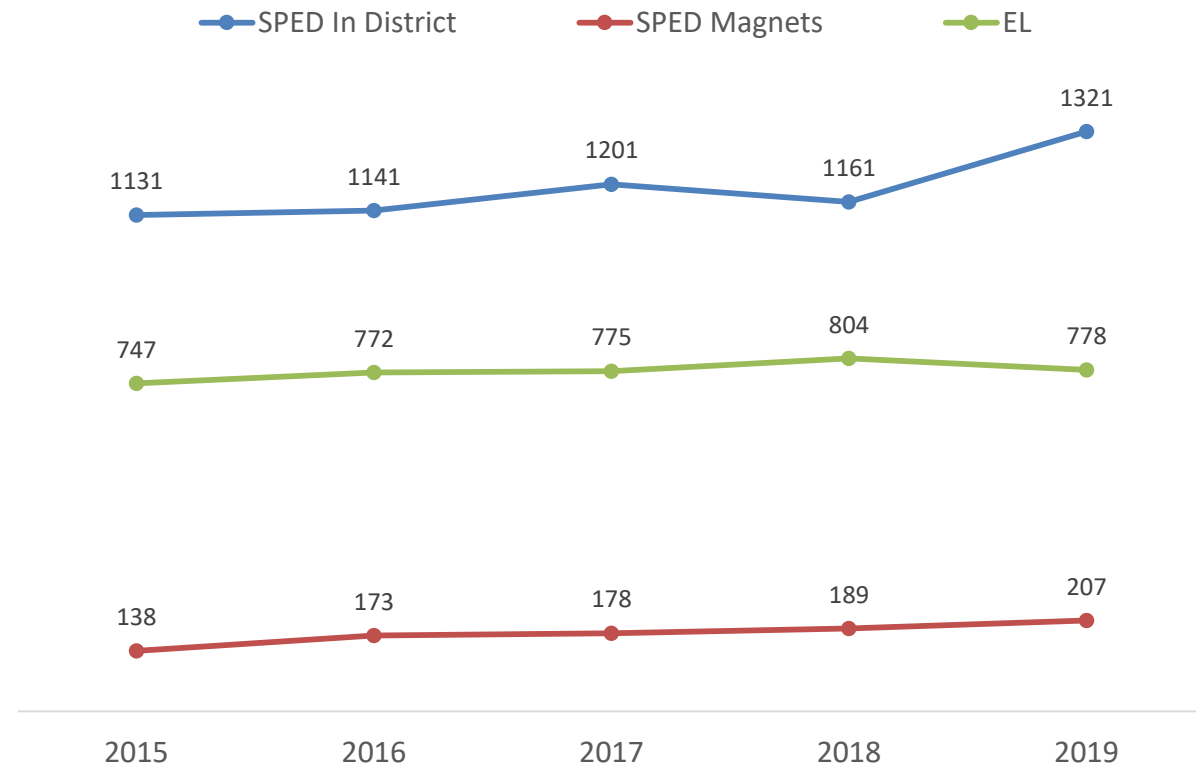


**6,812 total students in 15 district schools from
62 Different countries who speak 50 different languages**

Part I: The Context of the FY20 Adjusted Budget

District Enrollment/Sub-Groups

Year	Enrollment
2014	7,133
2015	7,058
2016	6,710
2017	6,732
2018	6,987
2019	6,812
Enrollments Since 8/28/2018	520 (8%)



Part I: The Context of the FY20 Adjusted Budget

Student Achievement in East Hartford



89%

Class of 2016 graduation rate- EHPS
As compared to 87.9% for State of
Connecticut

SAT

45%

Percentage of EHPS students meeting
benchmark on SAT EBRW

SAT

18%

Percentage of EHPS students meeting
benchmark on SAT Math

AP

55%

AP Performance
Students receiving a 3 or better on AP
tests as compared to 60% globally



35%

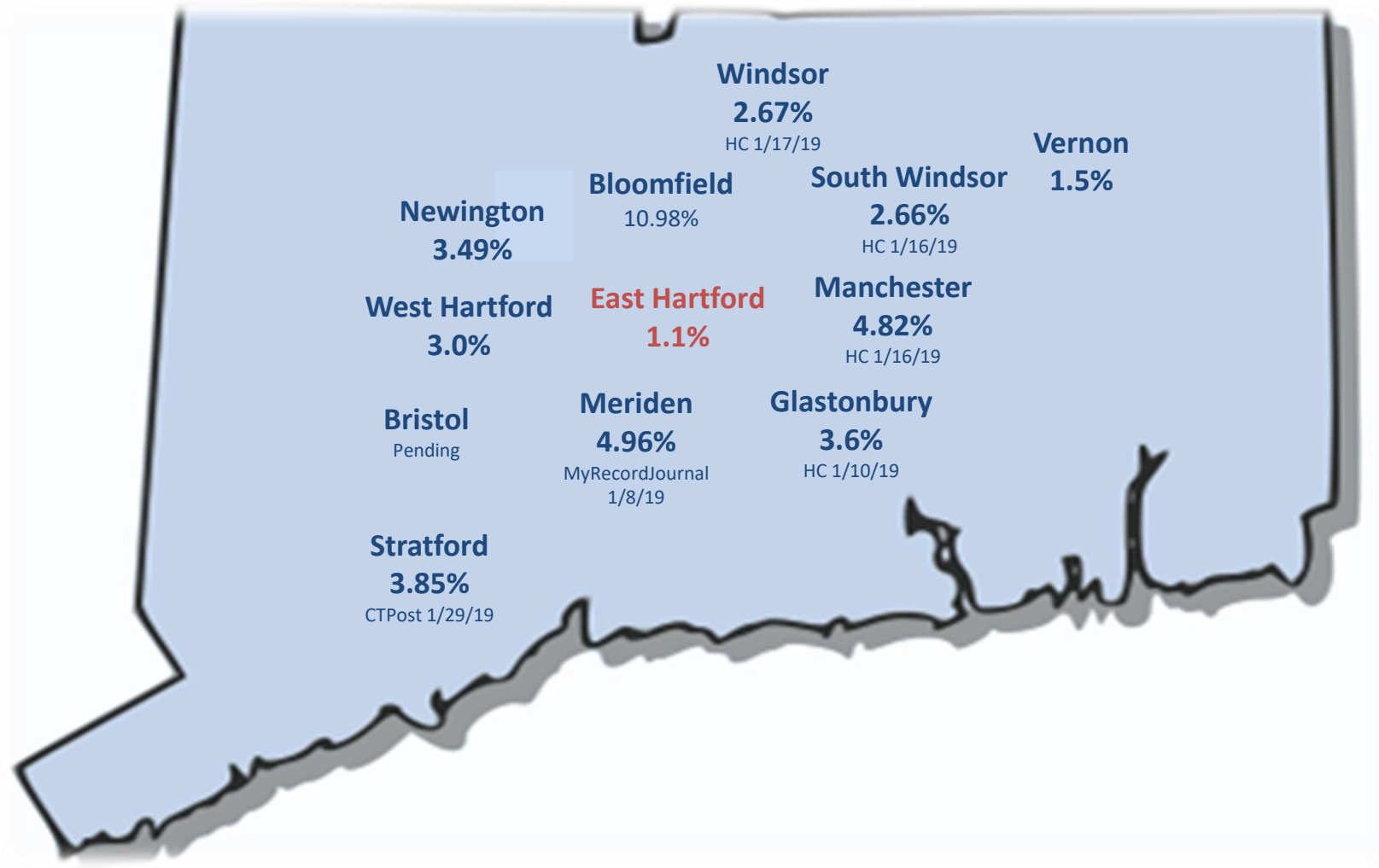
Smarter Balanced ELA
Increase by 5% points in Smarter Balanced Reading
Performance vs 1% growth for State of CT



23%

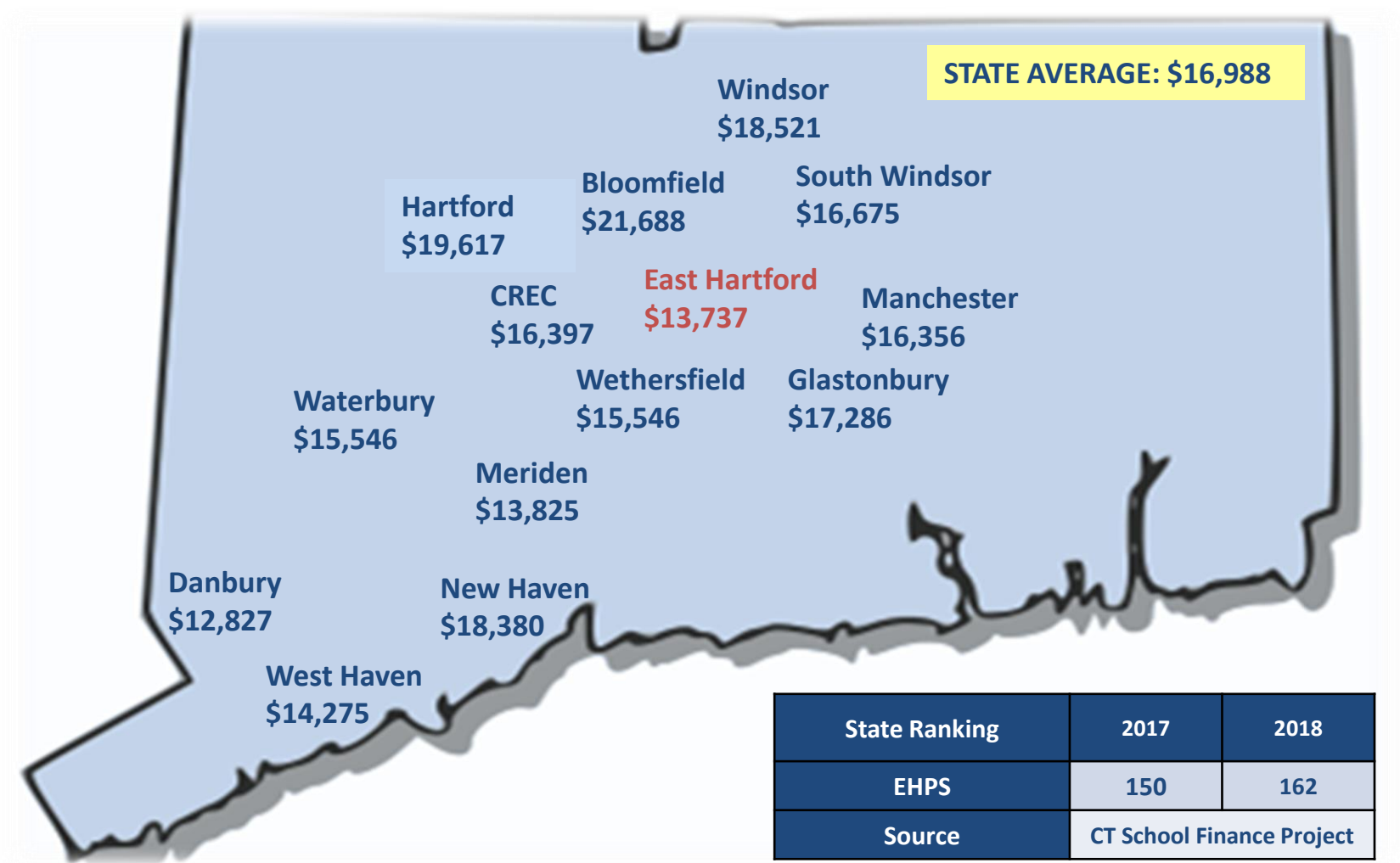
Smarter Balanced Math
Increase by 6% points in Smarter Balanced
Math Performance vs 1% growth for State of CT

Part I: The Context of the FY20 Adjusted Budget Superintendent/BOE Proposal Comparison (FY20)



Part I: The Context of the FY20 Adjusted Budget

Net Current Expenditures per Pupil (NCEP) Comparison (FY2017)



Part I: The Context of the FY20 Adjusted Budget

Impact of Net Current Expenditures per Pupil (NCEP)



-\$3,251/child*



-\$81,275/classroom*



-\$1,137,850 school*



-\$22,145,812 district*



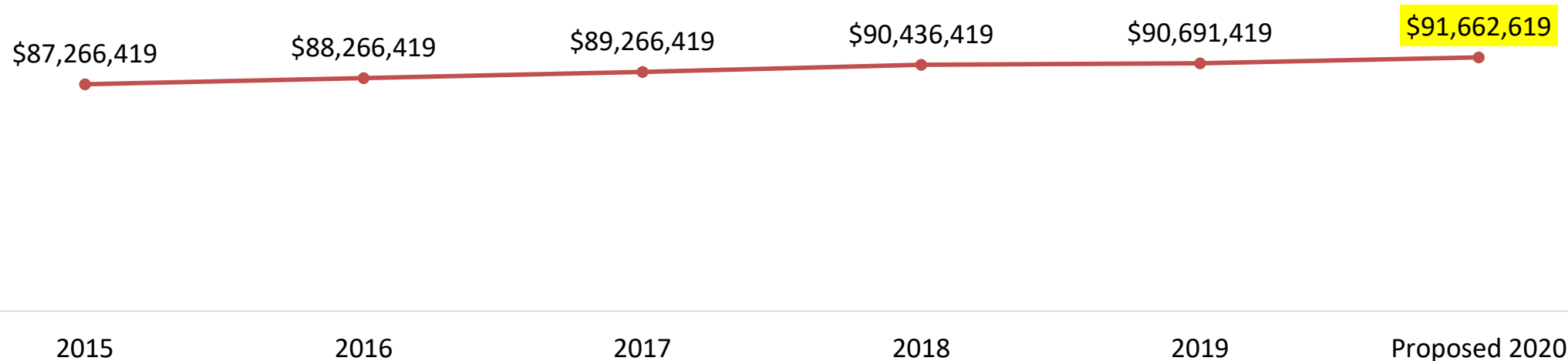
*Data reflects disparity of NCEP funding comparing EHPS to State Average 2018

Part II: FY20 Budget Proposal Summary

EHBOE Budget History

Over the past six years, the EHPS Budget reflects a minimal and conservative growth trend that is the result of wise and responsible stewardship of district resources as well as a significant and growing reliance on grant making and management. This amended budget proposal represents a \$971,200 (1.1%) increase over FY19.

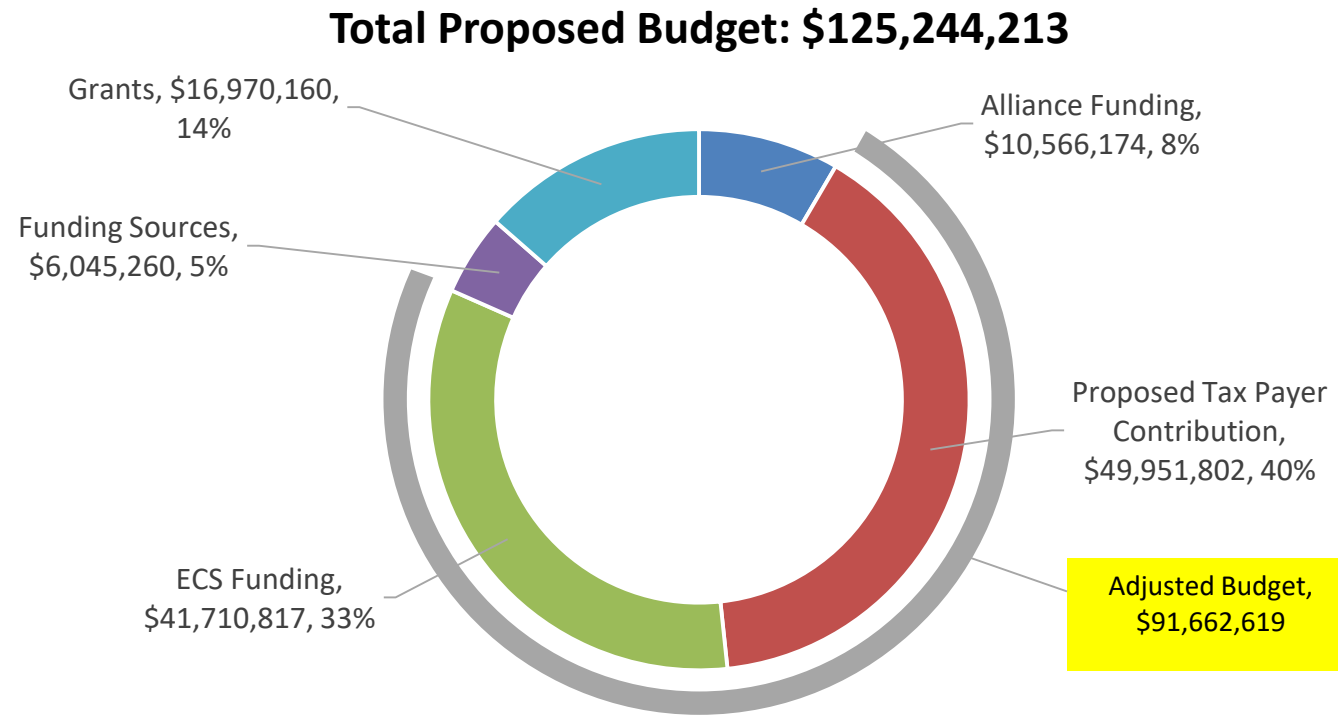
EHBOE Budget History



Part II: FY20 Budget Proposal Summary

Total Proposed EHBOE Budget

The total operating budget for FY20 includes multiple proposals for funding sources totally over \$125M. For the purposes of this presentation, the Adjusted Budget Proposal focuses on Town Appropriation that includes over \$49M of Proposed Tax Payer Contributions as well as \$41M in Education Cost Sharing (ECS) grant dollars.

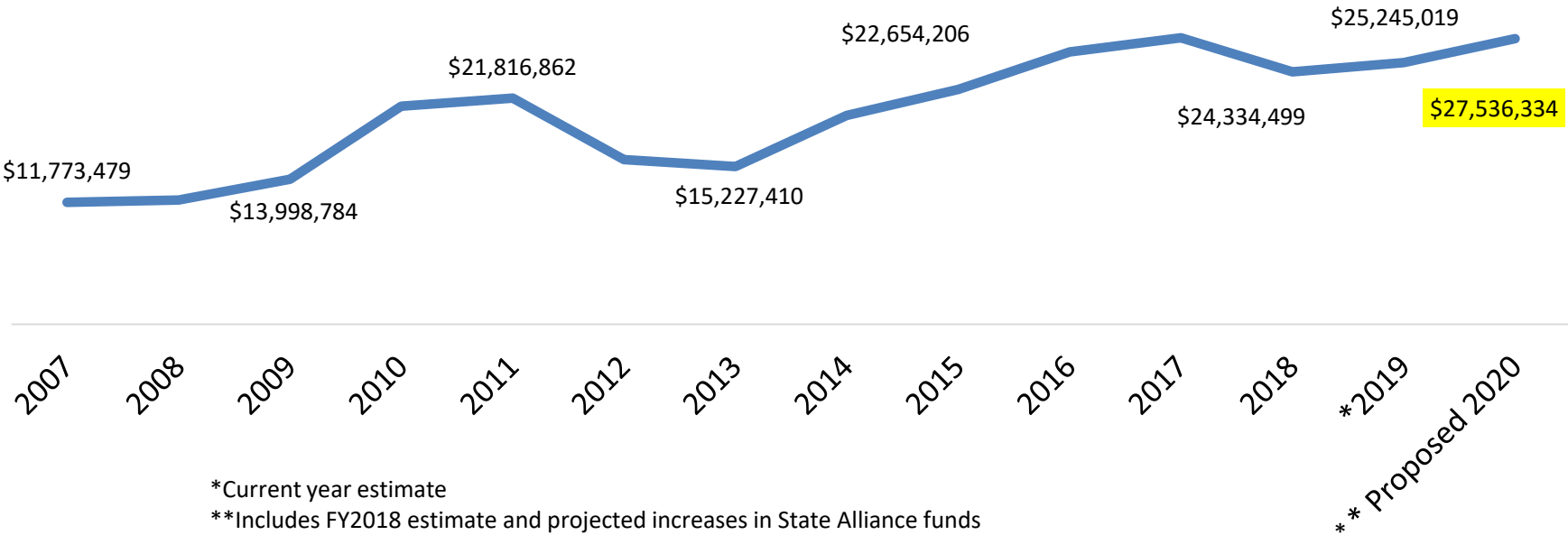


Part II: FY20 Budget Proposal Summary

Federal/State/Foundation Grant Expenditure History

Historically, EHPS has been able to supplement the Town budget appropriation with significant grant funding from a variety of Federal/State and Foundation sources. The proposed 2020 budget includes \$2.2M in projected Alliance dollars. EHPS has been widely recognized for its innovative practices and willingness to engage funders in projects yielding strong, evidence based outcomes. Grants have been fully leveraged against the general budget and fund 386.5 positions (or 28%) across the district.

EHPS Grant Funding

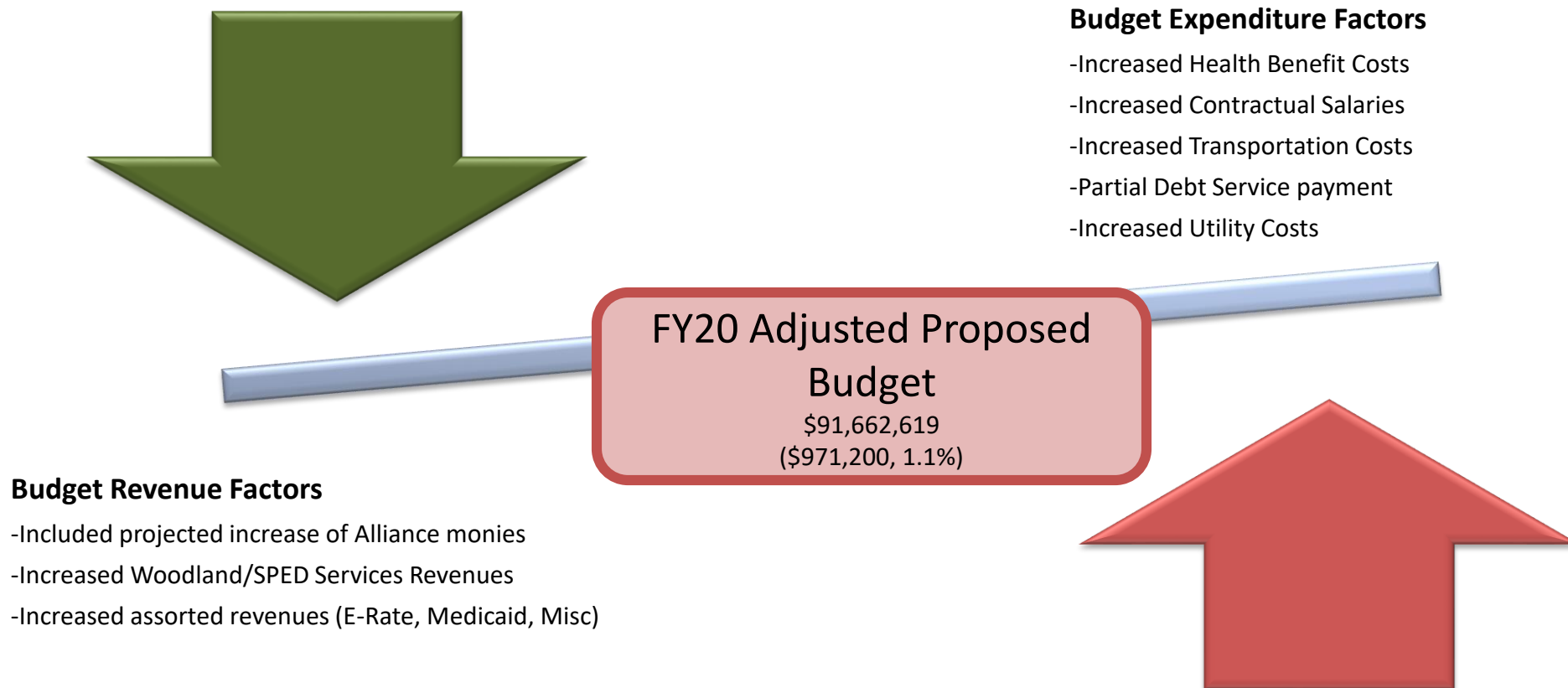


2018 Grant
Funded Positions

Administrative	5.5
Certified	139
Non-Certified	242
Total	386.5

Part III: Budget Expenditure/Revenue Factors

The FY20 Adjusted Budget Proposal represents the financial exercise of attempting to balance projected revenues by projected expenditures. The following factors played a significant role in the development of this proposal.

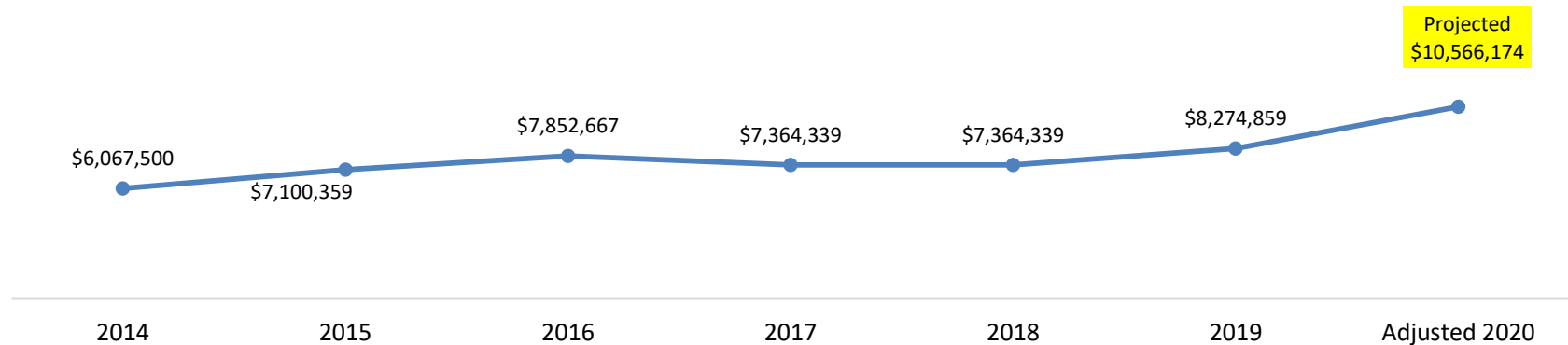


Part III: Budget Expenditure/Revenue Factors Alliance/ECS Grant

Budget Reductions

In the 2018 Legislative Session, the General Assembly voted to support an ECS formula that included a phase in process through 2028. For FY20, this phase in process reflected a \$2,291,315 increase for EHPS. The Adjusted Budget includes the transfer of (19.0 FTE's)- Kindergarten Teachers, (2.0 FTE's) School Psychologists, and (1.0 FTE's) School Social Worker from the general budget to the State Alliance Grant.

Alliance Funding



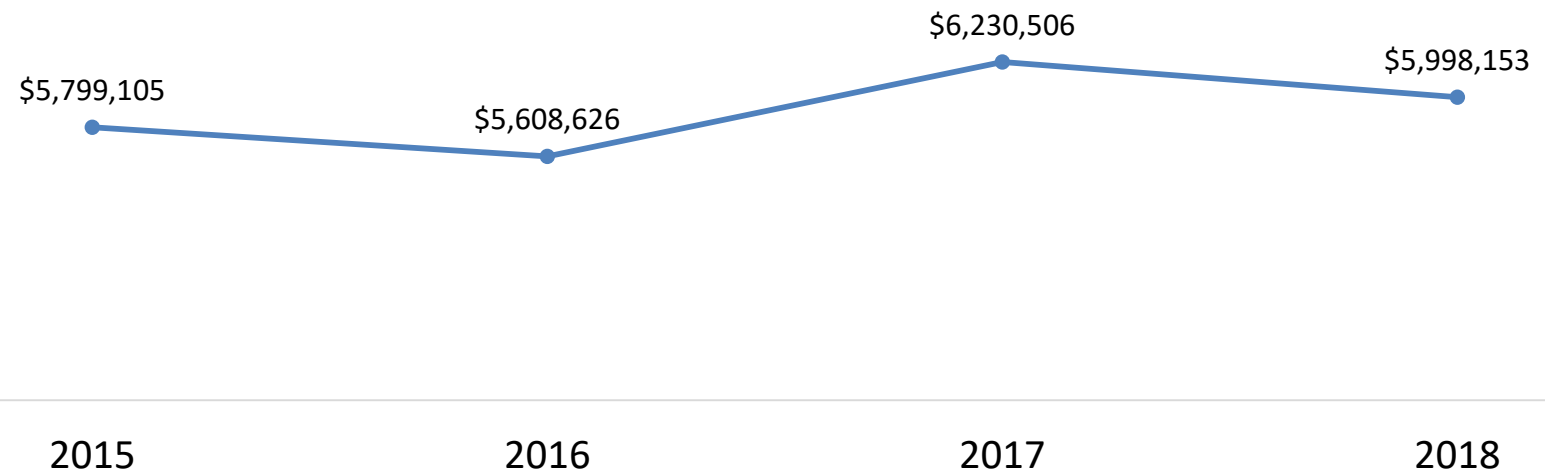
Part III: Budget Expenditure/Revenue Factors

External Placements

Forecasting the funding sources obtained from the Woodland School is extremely difficult at this point of the fiscal year based on the volatility of student tuitions as well as growing concerns regarding the development of a competitive market place. Despite these concerns, the FY20 budget includes a projected increase of \$300,000 in funding sources in an effort to offset costs.

Budget Reductions

Woodland and SPED Services (Actuals)



Part III: Budget Expenditure/Revenue Factors Pre-Pay Debt Service



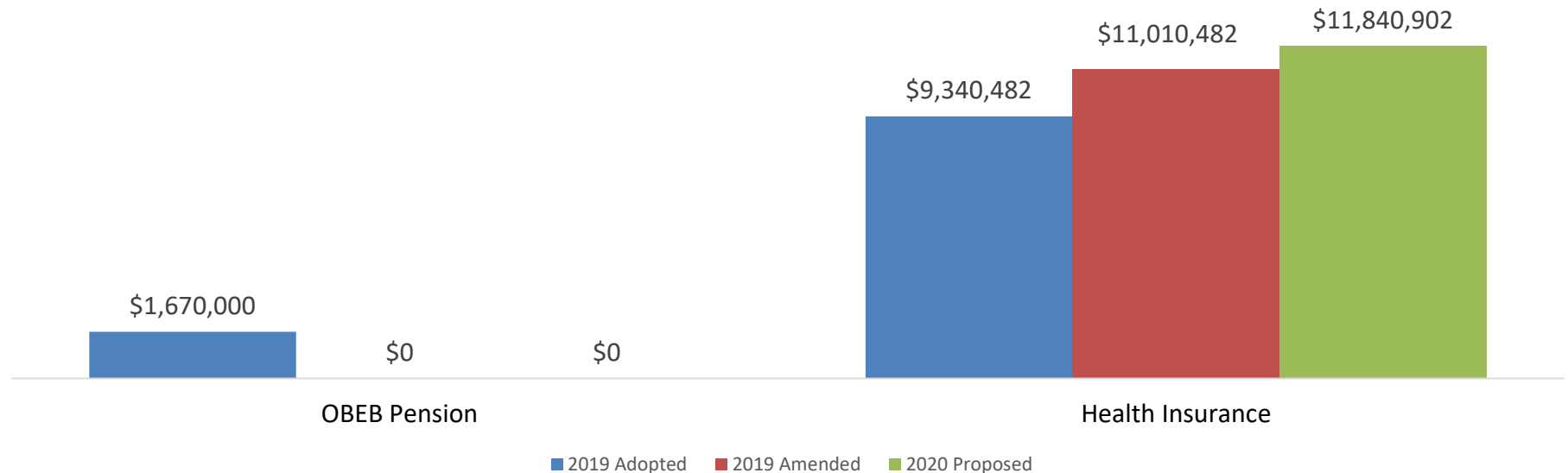
Budget Reductions

As a budget mitigation strategy, this proposal commits to pre-paying recurring debt service requirements as in previous years. The Johnson Control Energy Conservation project represents a decade-old joint town and board initiative to install energy efficient systems across district schools. This obligation continues through FY2025-2026. Based on the fact that this cost will be prepaid in the current year (FY19) the FY20 does not reflect the obligation of \$760,062.

In addition, this budget includes a partial payment of \$337,275. Including this expenditure will allow EHPS to begin to build this fixed cost into the General Budget and provide a pathway to fully meet this long term obligation.

Part III: Budget Expenditure/Revenue Factors Increased Health Insurance Costs (Projection)

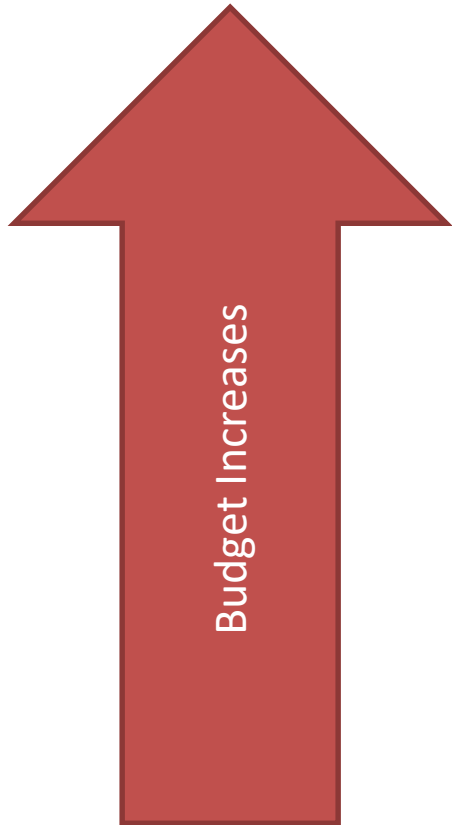
Current 2st Quarter trends maintain a \$2.5M shortage in health benefits based on excessively high claims. As a mitigation strategy, the budgeted \$1.67M originally designated for OPEB have been applied to cover this shortfall. Accordingly, these increased health benefit costs are reflected in the FY20 Adjusted Budget. The OPEB Pension contribution is deferred until the FY21 budget year.



Part III: Budget Expenditure/Revenue Factors

Contractual Salary Increases

EHBOE has worked diligently at the negotiating table with employee groups to achieve contracts in alignment with the town pro-forma while retaining high quality staff. Despite this work, contractual salary increases add an additional \$1,171,707 in costs to the FY20 budget.

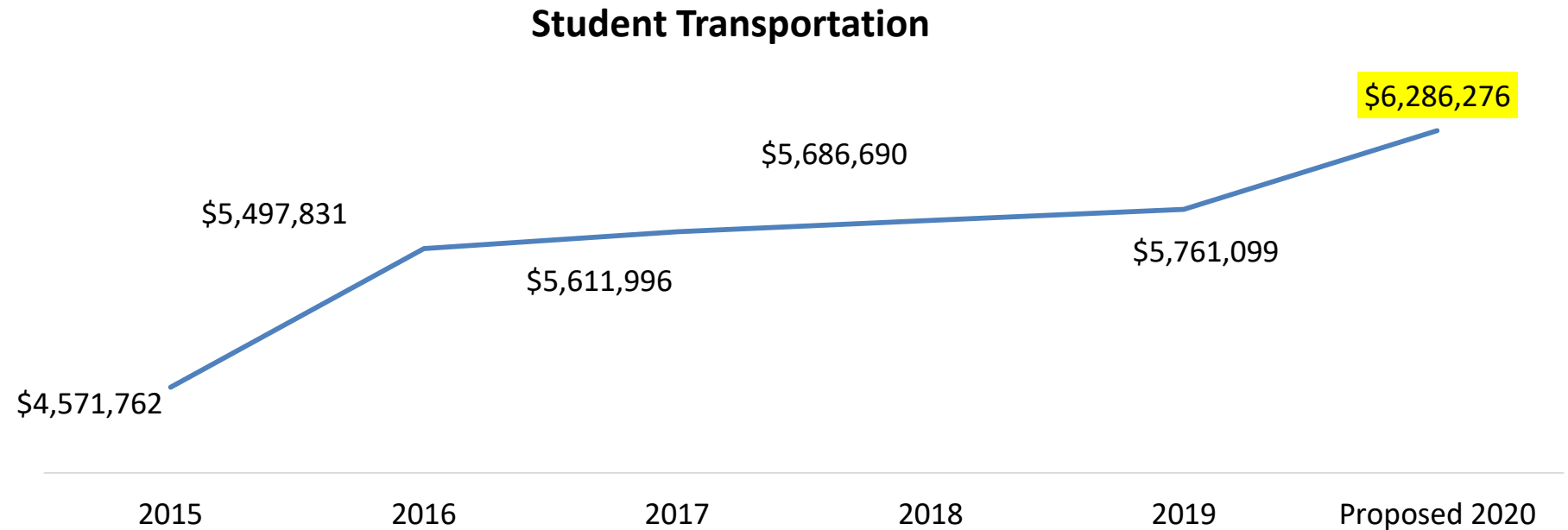


Group	19-20	20-21	21-22
Administrators (approved by Town Council)	1.2% plus step	Negotiations	
Teachers (SY20-23 achieved via stipulated arbitration agreement)	2% no step	1.5% plus step	1.75% plus step
Paraprofessionals	1.0% plus step	.5% plus step	Negotiations
Nurses	1.0% plus step	1.0% plus step	Negotiations
Supervisors	Negotiations		
Non-Bargaining Unit/Directors	2% no step	TBD	
Secretarial/ Security/IT	.5% plus step	Negotiations	
Behavior Managers	1.0% plus step	Negotiations	
Custodians	1.0% plus step	Negotiations	

Part III: Budget Expenditure/Revenue Factors

Increased Transportation Costs

In an effort to preserve costs, the district has performed a complete audit of all transportation routes and actively seeks efficiencies wherever possible. Currently the fleet consists of 46 Type I buses, 20 Type II buses, 6 wheelchair buses, and 1 passenger van. Current contractual obligations of 3.5% increase in addition to adding 1 Type II bus added \$250,000 to the FY20 budget.



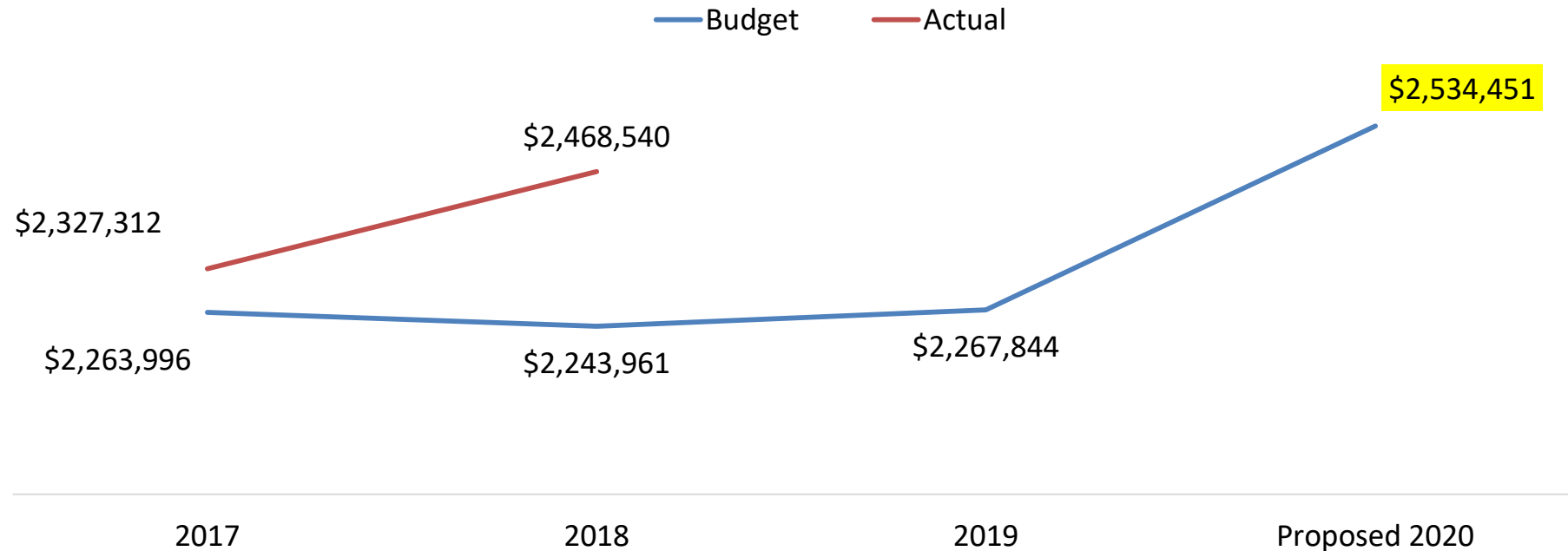
Part III: Budget Expenditure/Revenue Factors

Increased Utility Costs

Utility accounts have historically been funded below actual costs and have not kept up with rate increases/changes in consumption patterns. For example, MDC Water rates have increased 28% from 2014 to 2018. These changes have resulted in an \$266,607 increase for the FY20 Budget or 3% over 2018 actuals.

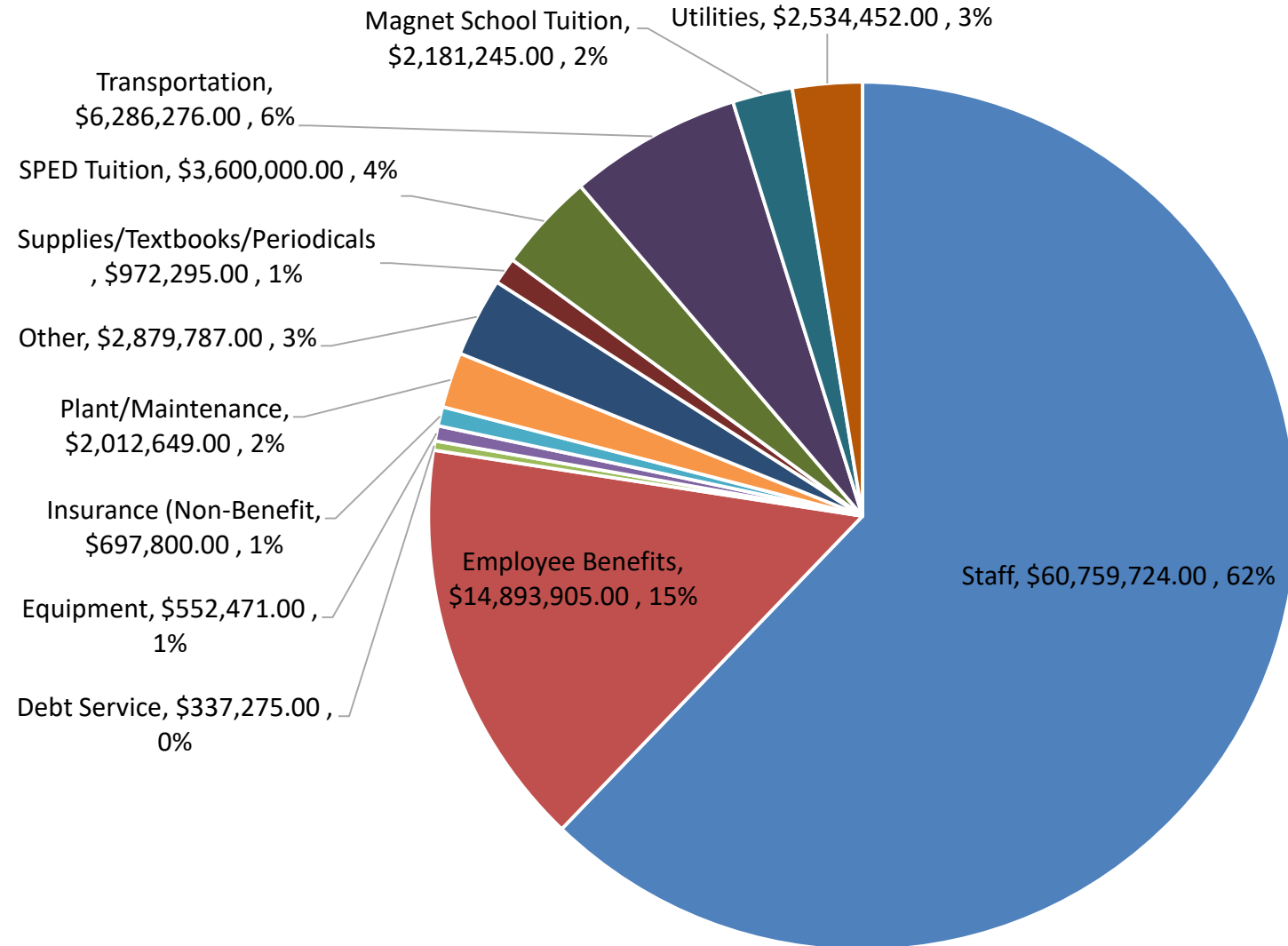


Utility Costs - Budget vs Actual



Part II: Budget Summary

Proposed Expenditures



Part IV: Summary/ Conclusion

Key Take-Aways

- **Contingent** on following projections:
 - Health Benefit expenditures (\$2.5M)
 - Alliance grant revenues (\$2.2M)
 - SPED/Magnet costs (Flat-funded/Pending CREC notification of 5% increase)
 - Revenue adjustments (\$390K)
 - Forgo OPEB Benefit Contribution (\$0)
- **Maintains** current services that will support delivery of needed programs and services
- **Process** will continue to respond to unfolding state and town budget deliberations

Part IV: Summary/ Conclusion

Questions and Thanks