



Every Child Every Day

East
Hartford
Public
Schools

Schools that are the Pride of the Community

Board of Education's Proposed FY22 Budget

VISION

Schools that are the
Pride of our Community

MISSION

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



CORE BELIEFS



East
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East Hartford Town Council Budget Hearing
February 24, 2021



12/21 Adoption
of BoE Proposed
Budget

February 24,
2021 BOE
Presentation
to Town
Council

March 9, 2021
Town Budget
Adoption

9/19 Process
Roll-out to District
Leaders

11/30-12/8
BoE/Council
Budget
Workshop(s)

10/26 Town
Leadership
Budget Summit



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Budget Preparation Process

Critical Path

Purpose

- **Showcase** the revised preparation and analysis process
- **Present** the FY22 EHPS BOE Proposed Budget to the EH Town Council
- **Communicate** external and internal factors impacting our budget
- **Earn your support and commitment** in the budget process

Agenda

- Part I: Context of the FY22 Budget
- Part II: FY22 Budget Overview and Analysis
- Part III: FY22 Budget Drivers/Explanation
- Part IV: Reacting to Changing Conditions
- Part IV: Summary/Conclusion
 - Questions/Answers



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Presentation Organization

East Hartford Town Council Budget Hearing- February 24, 2021

Office of the Superintendent

Elementary Schools
(Assistant Superintendent)

Secondary Schools
(Deputy Superintendent)

Pupil Personnel
(Director of Pupil Personnel)

Human Resources
(Human Resource Director)

Operations & Finance
(Chief Operations Officer)

Information Technology
(Chief Information Officer)*

Elementary Schools K-5
(8)

Early Childhood Learning Center (1)

Performance Office

Office of Equity and Achievement

High Schools (3)
Middle Schools (2)
Alternative School (1)
Adult Ed Program (1)

Woodland School

Benefits

Accounting

Custodial

Network Administration

SPED Services

Union Relations

Purchasing

Maintenance

Applications Support

Related Services:

School Nurses
OT/PT
Speech/Language Psychology
Social Work
School Based Health Center (SBHC)

Food Services

Safety and Preparedness

Cyber Security

Grants

Construction Management

After School Programs

Central Registration

K-12 Programming:
Physical Education/Health
Fine/Performing Arts
World Language/EL/Bi-Lingual

Residency Investigations

Operational Analysis

Transportation



East Hartford Public Schools

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Part I: Budget Context
Our District



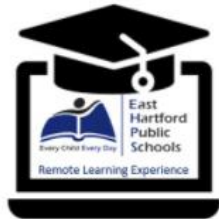
6545 students



2582 families



1358 staff members



2927 students currently learning remotely



63 different countries
55 different languages



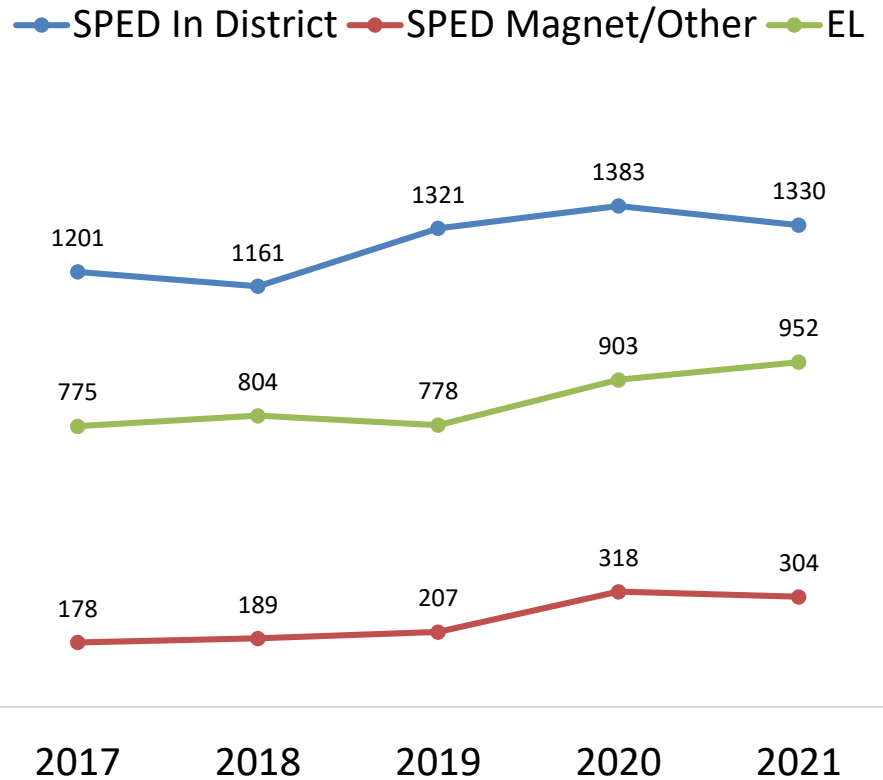
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Part I: Budget Context

Who We Are

Year	Enrollment
2017	6,732
2018	6,987
2019	6,819
2020	6,766
2021	6,545

Subgroup Enrollment



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11% SPED (EHPS)



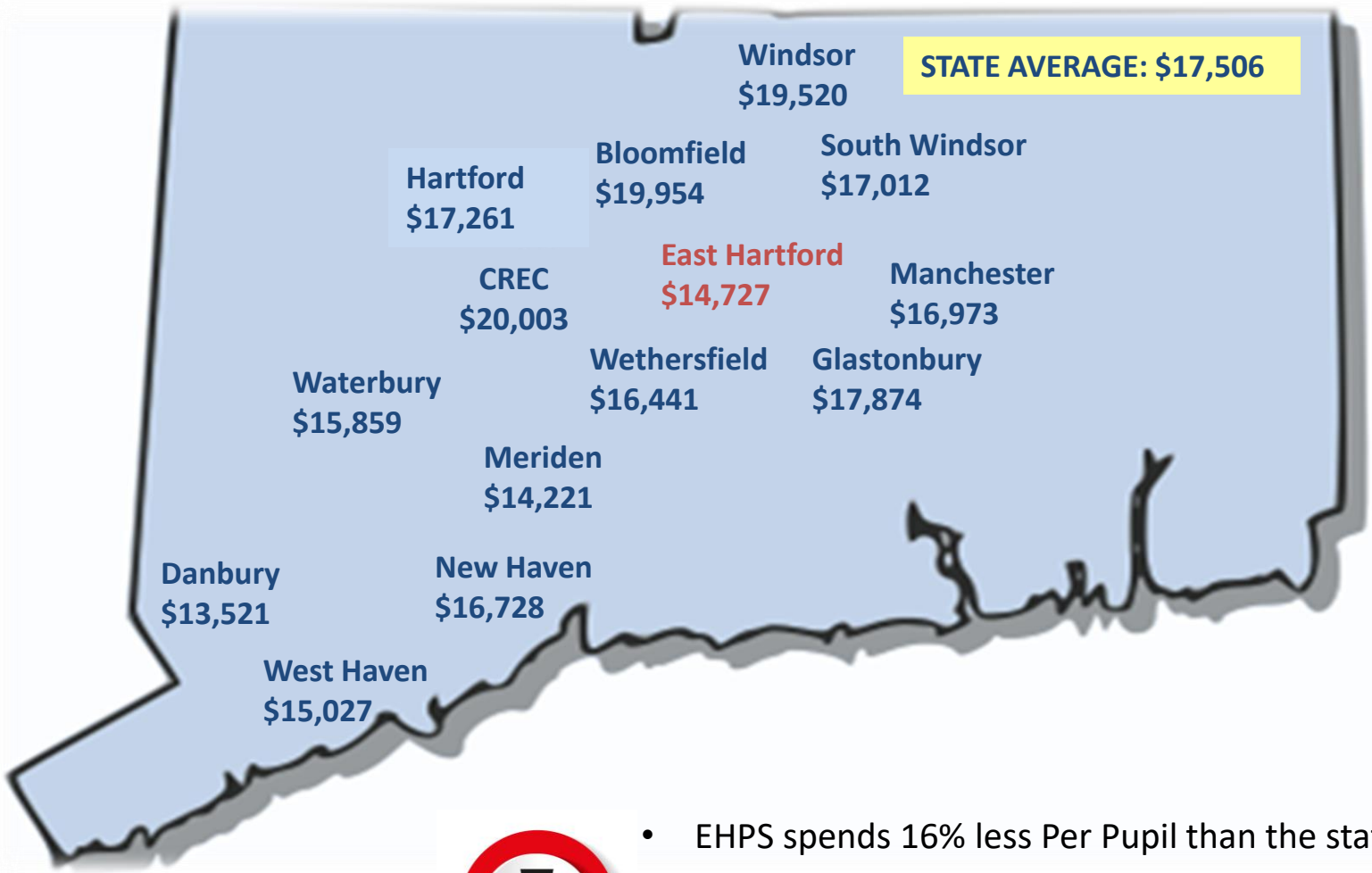
23% EL



71% SPED (Mag)

Part I: Budget Context

Our Enrollment



- EHPS spends 16% less Per Pupil than the state average
- EHPS ranks in the bottom 9% of state in Per Pupil Spending for the last 5 years

Source: CT School Finance Project



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Part I: Budget Context

CT Per Pupil Spending

Budget development process reconfigured to include active participation of all district program leaders with the goals of:



Accuracy



Accountability



Authority

This process fosters transparency across the district and establishes the District's budget as its operational plan.



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Part II: FY22 Budget Overview and Analysis

Guiding Principles (and Principals)

Net Budget Allocation from Town

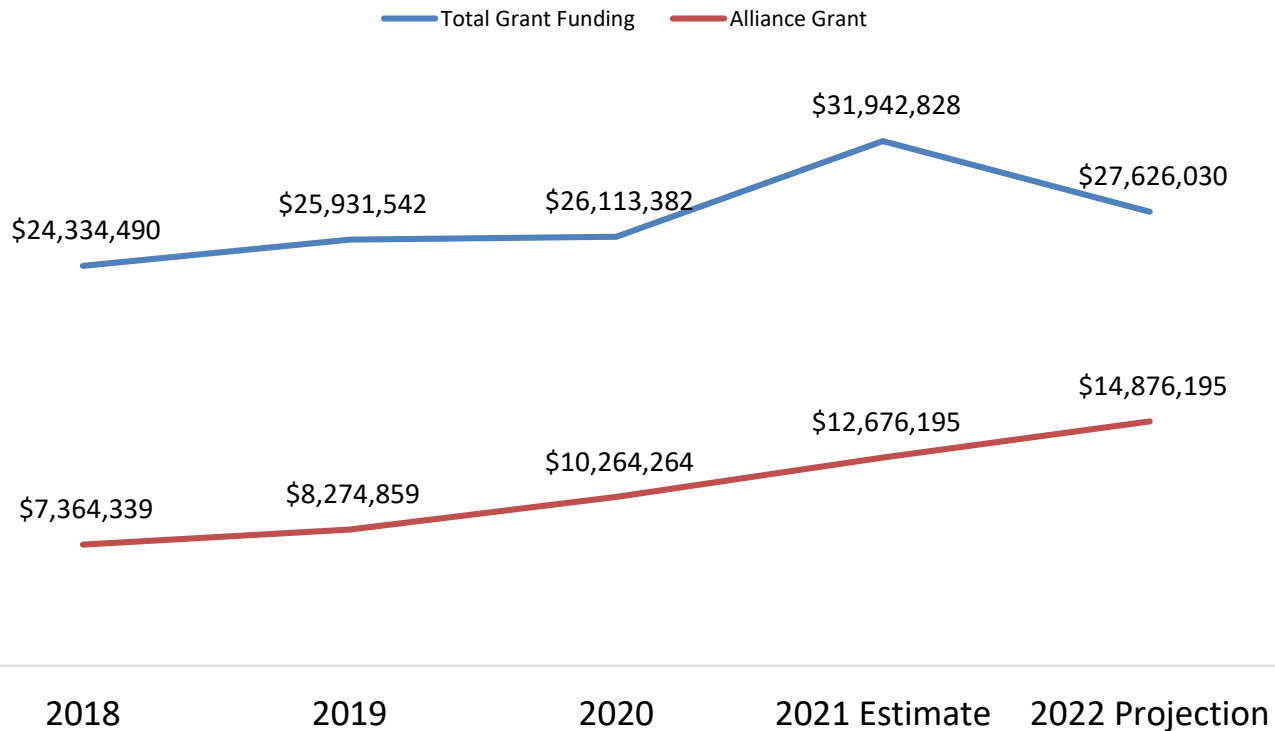
FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Change %
\$92,679,245	\$ 95,394,590	\$ 2,715,345	2.9%

- 8 categories account for 76% of the budget and drive 77% of the increase
- \$95,394,590 represents the net allocation request from the Town. Total funding program includes grants, especially the \$14M+ alliance grant
- No additional programs, services, or head count were incorporated into the FY22 budget



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Grant Funding: 5 Year Trend



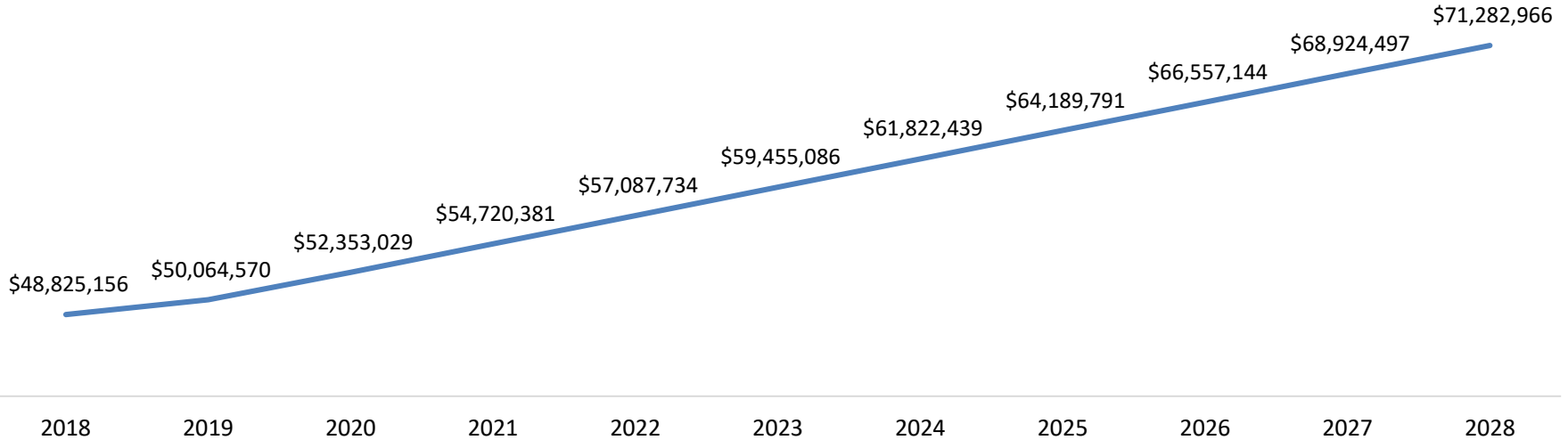
2020 Grant Funded Positions	
Administrative	8.6
Certified	154.50
Non-Certified	230.35
Total	393.45



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Funding and Staffing

Total ECS Funding Phase In

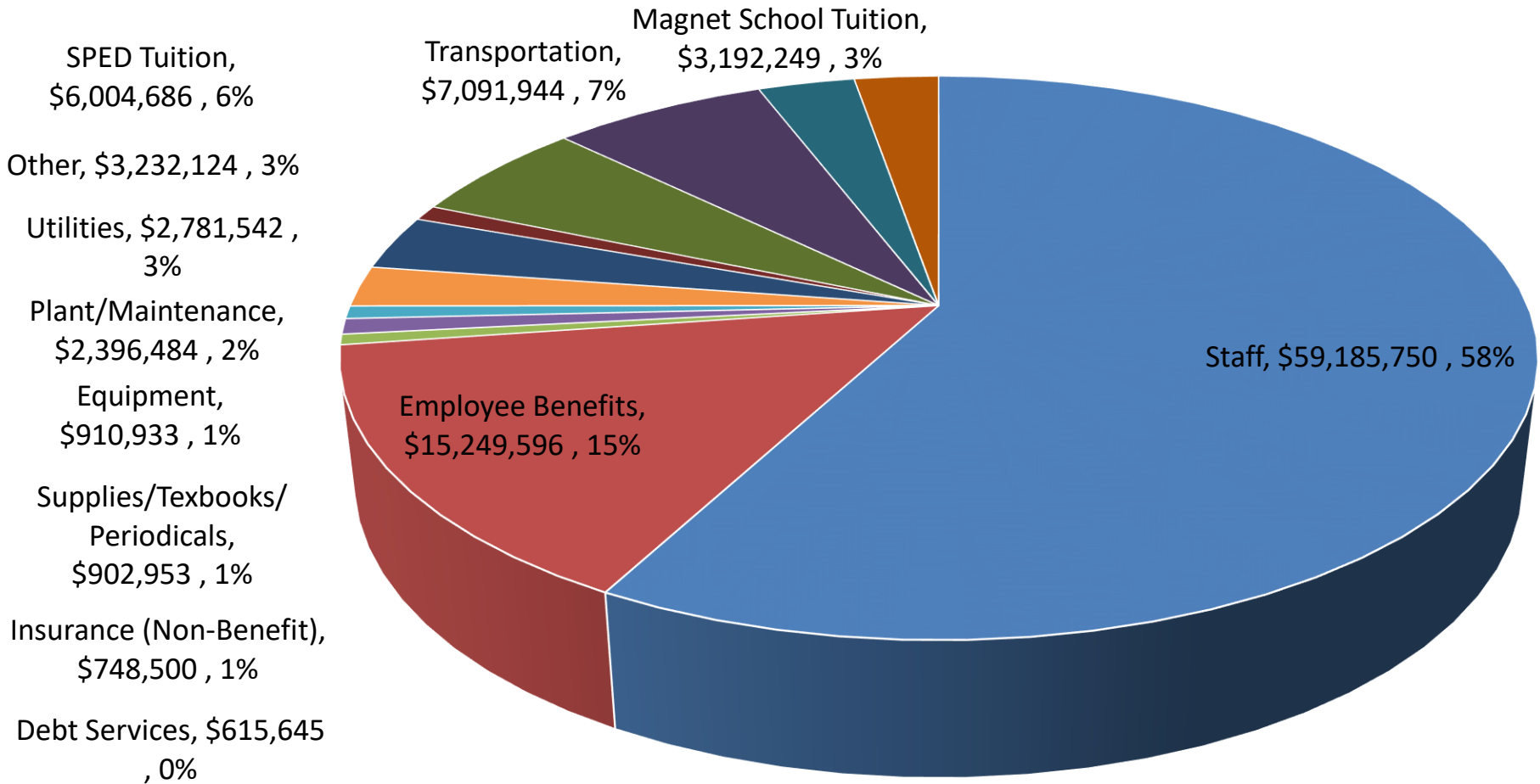


Certified Teachers in Alliance Grant	
2019	57.5
2020	78.6
2021	112.0
2022	139.0



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Proposed Expenditures FY2022



FY 2022 Proposed Budget Allocation
Gross \$102,312,406, Net \$95,394,590



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	Amount	% of Total	Remaining East Hartford Taxpayer Liability
Total FY 2022 Funding Plan	\$129,938,436	100%	\$129,938,436
Estimated Grants	\$12,749,834	10%	\$117,188,602
Alliance District Grant (estimate)	\$14,895,519	12%	\$102,312,406
Funding Sources-District Generated	\$6,914,416	5%	\$95,394,590
State Education Cost Sharing (ECS)	\$42,157,981	32%	\$53,236,609

Net Budget Allocation

**East Hartford Taxpayer Funds
41% of Total Budget**



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Salaries

FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Category Change %	Total Budget Change %
\$ 59,811,710	\$ 59,185,750	\$ (625,960)	-1.0%	-0.7%

- Average salary increases are at 2% or below
- Contractual salary increase of \$1,596,295, countered by moving remaining grade 1, all of grade 2, and some grade 3 (24 FTE total) into the Alliance Grant.
- Utilize the entire \$2,222,255 Alliance Grant increase in this category. Grant is not actually set until May 2021 and is not guaranteed.

Group	20-21	21-22
Administrators (approved by Town Council)	1.5% plus step	2.0% plus step
Teachers (SY20-23 achieved via stipulated arbitration agreement)	1.5% top step only, 0% + step all others	1.75% top step only, 0% + step all others
Paraprofessionals	.5% plus step	Negotiations
Nurses	1.0% plus step	Negotiations
Supervisors	2%	2%
Non-Bargaining Unit/Directors	2% no step	2.00%
Secretarial/ Security/IT	2.0% plus step in each year	
Behavior Managers	2.0% plus step in each year	
Custodians	2.0% plus step in each year	



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Student Transportation

FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Category Change %	Total Budget Change %
\$ 6,604,555	\$ 7,091,944	\$ 487,389	7.4%	0.5%

- Current DATTCO contractual increase of 4.5%
- Forgoing 1% prepayment discount to allow for flexibility and accountability
- Addition of (1) Type 1 bus to service magnet schools- bringing total dedicated magnet busses to (6)
- Forecast adjustments for variable services

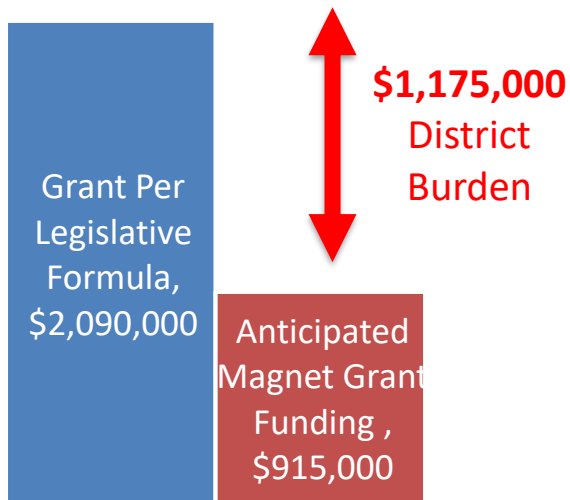


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Magnet Tuition

FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Category Change %	Total Budget Change %
\$ 2,476,045	\$ 3,178,249	\$ 702,204	28.4%	0.8%

7% Magnet Cap Funding



Program	Tuition	Enrollment (11/2020)	Change from FY2020
LEARN/Goodwin College	\$5,832	221	21%
CREC- Secondary Schools	\$5,253	265	6%
CREC- Elementary Schools	\$4,635	402	13%
Hartford Public Schools	\$3,465	46	-4%
Total		934	12%



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SPED Tuition/ External Placement

FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Category Change %	Total Budget Change %
\$ 3,950,000	\$ 6,004,686	\$ 2,054,686	52.0%	2.2%

- Increase in number of students (269) receiving SPED services outside the of the school district. Substantial hourly rate increases for IEP required SPED related services, tuition increases, combined with providers now billing near full “fill rate” numbers
- Historically underbudgeted and funded through excess Woodland revenue, budget now reflects actual projections on both sides.
- Matching FY2020 Actuals CREC imposed 8% tuition increase along with 30%-50% increases to related service hourly rates.

FY2020 Budget= \$3,600,000	Actual= \$5,977,954
FY2021 Budget= \$3,950,000	Projected=\$6,004,686



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Part III: FY22 Budget Drivers/Explanation

SPED External Placements Tuition Cost Increases

IT Software

FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Category Change %	Total Budget Change %
\$ 497,350	\$ 608,396	\$ 111,046	22.3%	0.1%

- Conducted districtwide audit of IT software, licensing, and device support.
- Increased dependency on digital platforms.
- Reflects actual district-wide software needs.
- These costs will increase as one-time grant funding expires.



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Part III: FY22 Budget Drivers/Explanation

IT Software Cost Increases

Debt Service

FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Category Change %	Total Budget Change %
\$ 380,031	\$ 615,645	\$ 235,614	62.0%	0.3%

Revised Schedule from Town

Description	Estimated Cost	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total Due
Johnson Controls							
Phase I	\$2,500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Phase II							
Tax Exempt Funding	\$1,400,000.00	\$129,868.00	\$136,510.00	\$143,468.00	\$150,755.00	\$158,387.00	\$718,988.00
QECB Funding	\$6,000,000.00	\$582,027.00	\$579,392.00	\$576,052.00	\$571,970.00	\$567,106.00	\$2,876,547.00
Sub-Total Phase II		\$711,895.00	\$715,902.00	\$719,520.00	\$722,725.00	\$725,493.00	\$3,595,535.00
Interest Rebate 70%		(\$96,250.00)	(\$79,176.00)	(\$61,060.00)	(\$41,855.00)	(\$21,517.00)	(\$299,858.00)
Total of Phase II		\$615,645.00	\$636,726.00	\$658,460.00	\$680,870.00	\$703,976.00	\$3,295,677.00
TOTAL		\$615,645.00	\$636,726.00	\$658,460.00	\$680,870.00	\$703,976.00	\$3,295,677.00



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Part III: FY22 Budget Drivers/Explanation
Debt Service Increase

OPEB

FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Category Change %	Total Budget Change %
\$ 650,000	\$ 114,000	\$ (536,000)	-82.5%	-0.6%

- Prepayment of \$536k of the total \$650k FY2021 OPEB obligation was made in FY2020 using surplus funds due to early shut-down.
- The FY2021 \$114k balance has been paid, and intention for FY2021 is to again make a \$536k payment at year end to perpetuate the pre-payment into FY2022.
- Reflects a pre-payment of \$536k in FY2021 (\$114k remains in FY2022). However, FY2021 already has several budget challenges to address. Making a \$536k pre-payment is possible, but not guaranteed. Currently encumbered.



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Woodland Revenue Forecast

FY2021 Amended Budget	FY2022 BOE Proposed Budget	Variance	Category Change %	Total Budget Change %
\$ (4,153,160)	\$ (4,480,616)	\$ (327,456)	7.9%	-0.4%

- Forecasting revenues from the Woodland School program remains a challenge as potential competition is still evolving and COVID impacts for FY2021 are unknown. FY2022 builds on the \$500k added to the revenue budget for FY2021 by tying the forecast directly to a 3-year average of actual revenue.
- Woodland revenues have historically beat estimates, but estimate rose \$500k for FY2021. Relatively safe to raise to 3 year actual, but will not be able rely on this "forecast adjustment" infusion going forward



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Elementary and Secondary School Emergency Relief Fund- Part of Federal Coronavirus Response and Relief Act (CRRSA) 2021

East Hartford Public Schools notified on 1/29/2021 of a \$9,410,202 allocation which must be used prior to 9/30/2023

<u>State Department of Education</u> <u>Priorities</u>
Academic Supports, Learning Loss, Learning Acceleration and Recovery
Family and Community Connections
School Safety and Social-Emotional Well-being of the “Whole Student” and of our School Staff
Remote Learning, Staff Development, and the Digital Divide

CT received \$492,426,458 to distribute to Local Education Agencies (LEA's)

<u>Sample of Authorized Uses</u> (Not a comprehensive List)
Purchasing educational technology, including hardware, software, and connectivity
Upgrade projects to improve the indoor air quality in schools including HVAC, controls, and window and door replacement
Planning and implementing activities related to summer learning and supplemental after school learning
Other activities that are necessary to maintain the operation and continuity of services in LEAs and continuing to employ existing staff of the LEA

The Governor's proposed FY22 and FY23 budget as published 2/10/2021 holds total ECS funding (inclusive of Alliance Grant) at FY2021 levels- *eliminating the \$2,222,255 increase built into the BOE Proposed FY22 budget.*

The Governor's rationale is that school districts should use ESSER 2 Funds (Federal funds) to make up for the loss of the Alliance Grant (State funds) increase, even though Federal usage criteria AS REINFORCED BY THE STATE only allow COVID related expenses and CAN'T be used to fund general budget activities.

Emerging Concerns

Regression from Equity Principles
Negation of ESSER II Intentions
Creation of Significant Fiscal Cliff

EHPS has developed a plan utilizing multiple strategies to match the Mayor's proposal of a net budget allocation increase of \$1.5M

<u>Pathway to a \$1.5M Increase</u>	Amount	General Budget Balance	Notes
FY21 Amended Budget		\$ 92,679,245	
BOE Proposed FY22 Net Budget Allocation Increase	\$ 2,715,345	\$ 95,394,590	Approved by BOE on 12/21/2020
Lost of Expected FY22 Alliance Increase	\$ 2,222,255	\$ 97,616,845	Per 2/10/2021 Governor's Budget
EHPS Proposed Permanent Cuts	\$ (652,071)	\$ 96,964,774	8 FTEs
Mitigation Commitment Utilizing ESSER 2	\$ (2,785,529)	\$ 94,179,245	Supplants expected Alliance increase plus additional position shifts
Revised FY22 Budget		\$ 94,179,245	\$1.5M or 1.6% increase over FY21 (Mayor's Proposal)

This Plan Includes

Permanent workforce reductions

Utilization of ESSER 2

Locking municipal contribution increase to \$1.5M

Fully leveraging ESSER 2 to mitigate general budget increases and account for the loss of the Alliance Grant increase is a short-term solution with potential negative long-term financial impacts

ESSER 2 Utilization			
	Amount	ESSER 2 Balance	Notes
ESSER 2 Allocation		\$ 9,410,202	
Loss of FY22 Alliance Grant Increase (was built into Current BOE Proposed FY22 Budget)	\$ (2,222,255)	\$ 7,187,947	Was being used to fund 24 Teacher FTEs shifted from GB
Shift of Additional cuts to meet Town \$1.5M GB Increase	\$ (563,274)	\$ 6,624,673	
FY23 ESSER 2 Estimated Commitment	\$ (5,091,350)	\$ 1,533,323	FY22 ESSER commitment + 3% salary escalation + FY23 \$2.2 Lost AG phase in
Total ESSER 2 Remaining for intended (non-continuity) purposes		\$ 1,533,323	

Long-Term Fiscal Impacts

EHPS has to consider any proposed expense shifts to ESSER 2 as potential cuts in FY24. After ESSER 2 ends, items have to re-enter the general budget, or be permanently eliminated. FY23 will have to utilize ~\$5M of ESSER 2 to maintain continuity (FY22 + escalation + lost FY23 AG), and FY24 will have to be burdened with at least a \$5M increase from the start

- **Built** using a new process focusing on accuracy, accountability, and authority
- **Maintains** current services with only minor restructuring
- **Leverages** mitigation strategies
 - Alliance grant (now ESSER 2) (\$2.2M)
 - OPEB Pre-payment (\$536k)
 - Revenue adjustments (\$327k)
- **REACTS** to changing conditions
- **RELIANT** on ESSER 2





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Part V: Summary/Conclusion

Questions and Answers