

**MINUTES OF BOARD OF EDUCATION BUDGET PRESENTATION MEETING
HELD VIRTUALLY JANUARY 14, 2021 AT 7:30 PM**

Board Members Present: Anthony Perugini-Chair; Adam Grippo-Vice Chair; Kathryn Hallen-Secretary; Faith Ham, Anne Harrigan, Andrew Martelli, Timothy White

Administrators Present: Jeffrey F. Solan, Ed.D., Superintendent of Schools; Marlene Silano, Assistant Superintendent of Schools; Vincent Masciana, Chief Operating Officer

Public access made available through live streaming the Cheshire Public Schools YouTube Channel at www.youtube.com/cheshirepublicschools . Public comments were accepted at CPSCovid19@cheshire.k12.ct.us .

1. CALL TO ORDER – 7:35 P.M.

- A. *Roll for Quorum.* The roll was called and a quorum determined.
- B. *Pledge of Allegiance to the Flag of the United States of America.*
Mr. Perugini led the group in the Pledge of Allegiance to the Flag.

2. AUDIENCE

None.

3. PRESENTATION

A. Superintendent’s Proposed 2021/22 Budget

Dr. Solan began by thanking Mr. Masciana and his staff who worked to put this budget together (copy of presentation on file).

The Superintendent reviewed the internal and external factors considered when developing the budget. Internal factors include student enrollment, contractual increases, salaries, vendor contracts including transportation, special education, aging facilities and medical benefits. External factors include State of the State, State/Federal education revenue, State/Federal mandates, and the global pandemic (outside of the operations budget).

Dr. Solan reviewed past budget increases noting the five-year average (2016-2020) is 1.17%. He said in order to meet these economic pressures, we have forgone advancement, cut every line to razor thin levels, and increased fees. We have focused on Social Emotional Learning and class size. Our budget is grounded in personnel.

Cheshire’s 2019-2020 Per Pupil Expenditure is \$2,264 less per student than the State average. Our budget would be \$9,400,128 higher if we spent the State average on our students. Although we spend much less per student, our students outperform the other districts.

This budget's considerations are to maintain, restore and advance.

- Maintain – Budget which continues to provide services as currently defined while continuing to examine opportunities for efficiency
- Restore – Budget which addresses areas historically cut under the demand to address economic pressures
- Advance – Additions beyond current budget designed to improve service and further address goals

The Superintendent reported that his 2021-22 Budget Recommendation is \$78,487,052. This represents an increase of \$3,893,126, or 5.22%. Dr. Solan said this is the highest budget increase he has ever requested. Zero percent of this increase is for improvements. Forty-two percent (\$1,619,909) is contractual, utilities, transportation and staff collective bargaining agreements and fifty-eight percent (2,260,485) of this budget increase is for restoration of medical benefits and a small maintenance increase.

The percentage of budget increase is as follows:

- 80% Salaries and Benefits
- 9% Support Services
- 6% Instructional Expense (includes Special Education)
- 5% Maintenance and Operations (including Utilities)

Line items increases of \$100,000 or more represent 82.3% of the total budget increase:

- 48.2% Medical Benefits (\$1,877,059)
- 19.2% Teacher Salaries (\$746,572)
- 6.6% Building Maintenance/Repair (\$257,497)
- 4.7% Other Professional Services (\$184,503)
- 3.6% Instructional Asst. Salaries (\$141,723)

The Budget Increase Request by Category is listed below. A total budget increase of \$ 3,893,126 or 5.22% is being requested.

Salaries	2.32% Increase
Benefits	17.58% Increase
Maintenance	10.34% Increase (Includes Utilities)
Instructional Exp.	1.65% Increase (Includes Special Education)
Support Services	4.20% Increase (Includes Transportation)

The projected revenue for 2021/2022 is \$10,397,360. The majority of revenue comes from grants, but also includes tuition, adult education and building rentals. Fees are collected to offset the cost of running programs or providing services to

those individuals who use them. In absence of these fees, our budget would increase by \$229,582.

The Superintendent reported that other variables they considered are enrollment and class sizes which are projected to increase. He indicated a substantial increase in elementary students since October 1, 2020. NESDEC is also predicting an increase in enrollment noting a high birth rate.

Dr. Solan reviewed school staffing and class size trend data. Compared to other DRG B districts, Cheshire High School ranks 17th out of 21 districts in students per teacher. He reviewed the recommended net staffing changes which include a reduction of two Doolittle teachers, the addition of two Highland teachers, the addition of one Norton teacher and one Darcey teacher, for a net increase of 2 teachers. The overall elementary class size in the recommended budget increases from 17.8 students per class in 2020/21 to a projected 18.3 students per class in 2021/22.

Dr. Solan said the key takeaways from this budget presentation are:

- The pandemic is a wildcard that isn't considered within the operating budget. A supplemental budget that addresses COVID-19 and Capital Improvements will be presented later in the budget process.
- This budget is driven by insurance costs representing 48% of our budget increase.
- The remaining 52% of our budget increase is grounded in preserving current service levels.
- Cheshire Public Schools is an outstanding value for our community providing exceptional results while spending \$9.4 million less than the average Connecticut district.

We are closely monitoring our insurance claims for the next six months with the following considerations:

- Our (20-21) budgeted insurance contribution run rate is about \$725,000/month.
- Expected claims were \$800,000/month.
- Actual claims from 7/1/20 through 12/31/20 have averaged approximately \$1,100,000/month.
- The remaining claim reserve fund is now approximately \$1,000,000
 - Our desired claim reserve minimum is 2 months of reserve
- We are projecting that our claims for the period from 1/1/21 through 6/30/21 will be below this level, but not as low as the budgeted \$725,000.

- We have budgeted a claim rate of \$900,000/month for 2021-2022.
- This budget is not predicted to substantially reestablish a 3-month reserve.

Dr. Solan noted that they will be discussing the recommended budget in more detail during the budget review meetings. Board Members briefly discussed enrollment and the dire situation of the medical benefits trust fund. Dr. Solan said claims should begin to go down now that a new plan year has started and employees must meet their deductibles again. Mr. Martelli asked if the COVID-19 supplemental budget would be included with the operating budget. Dr. Solan said that he would suggest two separate budgets. We would submit our Board of Education operating budget but inform the Town Council and community that there will potentially be more pandemic related costs.

Ms. Harrigan mentioned that during a recent CABA webinar they discussed shared services between towns and boards of education. She suggested they start to explore shared services. Dr. Solan noted they have had shared accounts for unique circumstances and they will continue to communicate with the Town Manager. Mr. Perugini said that he reached out to other districts regarding high medical claims and would not be surprised if there is a greater push for shared services.

Mr. Perugini reviewed the upcoming Budget Review Meeting Schedule.

4. **ADJOURNMENT**

On a motion by Ms. Harrigan, and seconded by Mr. Martelli, the meeting was adjourned at 9:25 p.m.

Respectfully submitted,

Anthony Perugini, Board Chair

Attest:

Carol K. Jesensky, Board of Education Clerk

Filed at the Town Clerk's Office, Town Hall, Cheshire: January 22, 2021.