

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING MINUTES
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, March 24, 2022 10:00 AM – 12:00 PM

Meeting Location: This was a virtual meeting. Meeting materials may be accessed at the following website:

<https://portal.ct.gov/OPM/Marb/Hartford-Committee-Meetings-and-Materials>

Call-In Instructions: Meeting participants may use the following telephone number and access code

Telephone Number: (860) 840-2075

Meeting ID: 707 192 406#

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Christine Shaw (State Treasurer designee), Robert White, Mark Waxenberg, Stephen Falcigno.

City Officials in Attendance: Leslie Torres-Rodriguez, Phillip Penn, Jennifer Hockenhill, John Phillip, Leigh Ann Ralls

OPM Staff in Attendance: Julian Freund, Alexis Aronne

I. Call to Order & Opening Remarks

The meeting was called to order at 10:04 AM.

II. Approval of Minutes:

- February 24, 2022 regular meeting

Mr. Waxenberg made a motion to approve the minutes with a second by Ms. Shaw. The motion passed unanimously.

III. Review and Discussion: board of Education FY23 Budget

Phillip Penn, Chief Financial Officer, and Dr. Torres-Rodriguez, Superintendent, Hartford Public Schools, presented the Hartford Board of Education FY 2023 budget. The FY 2023 budget represents the first full implementation of equity-based budgeting following a multi-year phase-in. Superintendent Torres-Rodriguez explained the process for allocating funds to schools and how funds are directed to the greatest need. To address structural deficits, the district has mitigated approximately \$117 million in costs over five fiscal years including eliminating positions and consolidating schools. The district made efforts to accelerate the budget process this year in order to expedite the hiring process for teachers. The BOE has adopted new

budgeting software, Allovue, to foster transparency. The software features dashboards and interfaces with the financial system, Munis. Enrollment trends are on the decline. Some internal analyses indicate the potential for a further decline of 2,000 students potentially. The budget for next year is \$422.7 million. A flat contribution from the City General Fund budget is assumed. The status of ESSER related funding was presented, showing that approximately \$25 million of the total awarded amount of \$155 million has been expended or encumbered. Multi-year projections show district costs increasing by about \$35 million over the next four fiscal years. The district is exploring alternative funding sources to support future budget needs and has hired a grant-writer as part of that effort. The Board of Education voted in favor of the proposed budget on February 15.

Superintendent Torres-Rodriguez explained that 10% of the district budget goes toward tuition costs for students attending non-Hartford schools through the open choice system. A comprehensive choice plan included in the recent Sheff agreement is expected to increase tuition costs by \$10 million per year. The district's ability to mitigate costs is dependent on attracting non-Hartford students into Hartford magnet schools. The district may be in a position of needing to right-size costs in a way similar to the process the district went through in 2018. Members discussed the potential impact of the recent Sheff agreement. The district has modeled four scenarios for the impact of the agreement. Three of those result in deficits for the district. The scenario that does not yield a deficit relies on the district attracting enough out-of-district students to its magnet schools to offset the number of Hartford students leaving the district. Members commended Superintendent Torres-Rodriguez and Mr. Penn on the content and quality of their presentation.

IV. Discussion: Special Education Data and Information Response

Superintendent Torres-Rodriguez and Mr. Penn revisited some of the information provided at prior meetings. Members discussed district data and cost information that was provided in the presentation materials. Four themes to consider for legislative or policy change were identified that would potentially provide relief to the District: 1) Providing home districts with more representation on Planning and Placement Teams (PPTs) for students in the open choice environment; 2) Requiring cost analyses of Individualized Education Programs (IEPs) and estimates of the cost of serving students; 3) Amending the excess cost sharing formula for open choice students; and 4) Providing home districts with the right of first refusal to serve outplaced open choice students in instances where the home district has the appropriate programming in place. The Subcommittee agreed to continue the discussion around these themes.

V. Update: Budget Mitigation Measures

Ms. Hockenull updated the subcommittee on the city's budget mitigation efforts. The tax deed sale is going to be moved to June or July. The City has made strides on revenue collection efforts including collections that are over 120 days past due. The nurse call line that was established for Public Works will be extended to the Police and Fire departments.

VI. Update: 2021 Revaluation

John Phillip, city assessor, updated the subcommittee on the October 2021 revaluation. The revaluation resulted in a shift to residential real estate. The overall grand list increased by 15.5%, with residential values increasing by 41.5%.

VII. Other business

Ms. Kennison asked the city for an update on their Federal Single Audit. Ms. Ralls indicated the deadline has been extended to September, but the auditor anticipates completing it well before then.

VIII. Adjourn

Mr. Waxenberg made a motion to adjourn with a second by Ms. Shaw. The meeting adjourned at 11:49am.