XI.A.

Connecticut State Board of Education
Hartford

To: State Board of Education

From: Charlene M. Russell-Tucker, Commissioner of Education

Date: March 5, 2025

Subject: Hartford Public Schools Fiscal Operations
Public Works Fiscal Services Review Executive Summary of the Final Report

Executive Summary

On June 5, 2024, pursuant to Section 10-223e(e)(2) of the Connecticut General Statues, the State Board of Education (SBE) directed the Commissioner of Education to take the necessary action to implement, on behalf of the SBE, the powers set forth in Section 10-223e to ensure the stability of fiscal operations of Hartford Public Schools (HPS). Immediate action was taken to contract with Public Works LLC to facilitate a comprehensive review of the fiscal processes and procedures of HPS.

Public Works presented their plan for evaluating HPS's fiscal processes and procedures to the SBE on September 9, 2024, and the Commissioner has provided the SBE with monthly updates as to their progress. In February 2025, Public Works completed their evaluation and published their findings and recommendations in the *Fiscal Services Review Executive Summary of the Final Report* which is attached for the review of the SBE. Public Works will provide technical assistance to HPS through June 2025, in the areas of concern identified in the Executive Summary.

Prepared by:
Dr. Charles E. Hewes, Deputy Commissioner

HARTFORD PUBLIC SCHOOLS

Fiscal Services Review Executive Summary of the Final Report

Produced by Public Works LLC | February 2025

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DEPARTMENT OF EDUCATION

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EXECUTIVE SUMMARY

I. HISTORY AND PURPOSE OF THE HPS FISCAL SERVICES ANALYSIS

The Connecticut State Department of Education (CSDE) provided $452 million in state and federal grants available to the Hartford Public Schools (HPS) in 2023-24, including unclaimed balances of more than $92 million as of May 15, 2024. On that date, CSDE and the HPS Superintendent reported to the Accountability and Support subcommittee (Committee) of the State Board of Education (SBE) on the impact of reductions included in the proposed 2024-25 HPS budget, particularly the reductions to staff. The Committee then had the opportunity to ask questions to determine if the district will meet its obligations under each respective state and federal grant. Based upon the district's responses and presented material, the Committee determined that the district was a system in need of improvement and voted to bring to the full SBE a proposal to authorize the Commissioner of Education to take action pursuant to Section 10-223e(e)(2) of the Connecticut General Statutes.

As Commissioner Charlene M. Russell-Tucker informed the CSDE:

The CSDE has a responsibility to ensure that districts are utilizing state and federal funding in accordance with the obligations established under state and federal law. Furthermore, districts are responsible for carrying out the planned use of grant funds that have been approved by the CSDE. Whereas HPS is anticipating budget shortfalls for the 2024-25 school year, the district is still responsible for meeting grant fund obligations. Based upon the data presented by the CSDE to the SBE's Accountability and Support Committee, as well as the HPS' responses to the Committee members' questions, the Committee identified the need for the full SBE to consider authorizing the Commissioner of Education to take the necessary actions in support of HPS and the district's financial operations in accordance with Section 10-223e of the Connecticut General Statutes. ***(Source: Memo to the Connecticut State Department of Education from Charlene M. Russell-Tucker, June 5, 2024.)***

CSDE has undertaken the following three-pronged approach:

1. **A Magnet School Assessment on Optimizing Funds Utilization** to be led by the CSDE Office of Internal Audit (OIA), to review the utilization of state magnet school funding supporting the operation of these interdistrict choice schools.
2. **Special Education Services Assessment and Enhancement:** CSDE, through its existing partnership with the State Education Resource Center (SERC), will work with HPS to understand the impact, if any, the HPS budget will have on the district's ability to fulfill its federal and state obligations for the provision of services to students with disabilities.
3. **Improvement of Financial Systems:** The CSDE will engage an external entity to examine HPS' preexisting financial systems and procedures along with current

operational structures to determine both short- and long-term action steps to improving financial operations. ***(Source: MEDIA ALERT: Connecticut State Board of Education Action Concerning Hartford Public School's Fiscal Operations, June 5, 2024.)***

Request for Fiscal Services Review and Scope of Work

In June 2024, the CSDE contracted with Public Works LLC (Public Works), a public policy consulting firm, to conduct a Fiscal Services Review of Hartford Public Schools.

The scope of work for the review included a full review of HPS' state and federal grant expenditures, utilization of funds before obligation and liquidation deadlines, and current fiscal processes and system recommendations. The objective was to ensure the full utilization of state and federal funds related to the implementation of support and monitoring of the foregoing. Public Works undertook a full review of current fiscal processes and procedures, including the identification of current assets as well as inefficiencies, constraints, operational barriers, and limits on capacity. Public Works analyzed HPS processes based on their conformance with standard operating procedures for school districts nationally. Finally, the scope of work included provisions for the contractor to work with and support the district by providing technical assistance over the remainder of the year to implement the identified recommendations.

This resulting report is a point-in-time document: HPS is in the process of implementing some of Public Works' recommendations prior to the report's publication.

II. SUMMARY OF CRITICAL FINDINGS AND RECOMMENDATIONS

Public Works found four key areas of concern that are affecting the District's ability to provide its students with critical programs and services in a timely manner. These are: (1) deficiencies in staffing and organizational structures, (2) inadequate oversight of grants and the grants planning and budgeting processes, (3) weaknesses in fiscal management processes overall, and (4) a lack of current, documented policies and procedures to guide operations.

Organization and Staffing: Layers of management over the educational delivery function are redundant in some instances and do not provide principals with the level of support needed to carry out their operational and instructional duties. Public Works recommends reducing the number of administrators and realigning the remaining positions to provide more direct support and assistance to principals.

From a fiscal management perspective, critical vacancies have hampered the District's ability to manage and carry out critical duties and responsibilities, including the Chief Financial Officer and several Senior Analyst positions. During the review, Public Works recommended that the Chief Financial Officer position, which had been vacant for more than a year, be immediately filled. That position has now been filled, and the new CFO began work on December 2, 2024. Public Works also

recommends filling other key positions and realigning functions within the Finance and Risk Management Department to break down silos and build a more cohesive team.

In terms of grants management, HPS had few identified "program owners" to oversee the planning and use of grant funds and ultimately to ensure that grant goals and expectations were accomplished. The Financial Planning and Grants Management unit within the Budget Office planned, applied for, and oversaw grants with limited programmatic involvement. Public Works recommended immediately assigning a program owner to each grant, creating a Grants Coordinator position to coordinate the efforts of the program owners, and re-establishing the position of districtwide Grant Writer. HPS is currently implementing these recommendations.

Grants Planning and Budgeting: In recent years, HPS created its budget based on total funding from local, state, and federal sources. Once the budget was created, the Budget Office allocated the budgeted funds to the various grants based on the allowable expenditures for each grant. Grant applications were then created based on how the budget had been allocated. Public Works recommends that program areas immediately be required to plan for and document the use of grant funds during the normal budget process based on instructional and academic needs. Within each plan, measurable goals and objectives should be created and monitored to ensure that the allocated funds are being used effectively to provide the programs and services necessary to improve student performance and to accomplish the identified goals with fidelity.

Fiscal Management: HPS mitigated a $37 million budget deficit for FY 2024-25 through one-time measures, but more effective and efficient resource allocations are needed to maximize utilization of funds and ensure fiscal stability. The Finance and Risk Management Department has not implemented several standard financial controls and processes that could improve HPS' ability to control costs and maximize revenues. The Finance and Risk Management Department has remained dependent on manual processes that inhibit HPS' internal control structure. For example, HPS is unable to provide information on the number of vacancies or to ensure with fidelity that grant staffing allocations are adhered to, because HPS uses a multi-to-one position control process whereby many employees are given the same control number. The process for grant drawdowns and revenue reconciliation is not documented. Purchase requests are being used extensively, which circumvents the MUNIS budgetary and purchasing control process. Receiving documents are not being used to validate invoices before payment, and the MUNIS system's receiving model, which would automate this process, has not been implemented.

Public Works recommends immediately implementing a one-to-one position control process, tightening purchasing controls by discontinuing the use of purchase requests except in limited cases, and implementing the receiving module in MUNIS. In addition, the grant drawdown and revenue reconciliation procedures need to be documented and adhered to.

Policies and Procedures: Hartford Board of Education policies are outdated and in need of immediate revision in order to provide the

framework in which HPS' administration is to operate. Procedures for implementing Board policy and desk procedures for the various fiscal management and grants processes are limited or non-existent. Vacancies in critical positions have resulted in the loss of institutional knowledge. In some cases, this has resulted in the failure of critical functions, such as the grants drawdown process, which was only accomplished when an individual from outside of the Finance and Risk Management Department was brought over to gather the data and issue the drawdown requests near the end of the year.

Public Works recommends that HPS immediately consider contracting for Board Policy update services and implement a systematic process for maintaining current policies. Further, Public Works recommends and is working with the Finance and Risk Management Department to document current processes, identify weaknesses in the current processes, and draft procedures that include both internal control elements as well as improved efficiencies.

Section IV. Summary of Findings, Commendations, and Recommendations expands on each of these issues in greater detail.

III. ACKNOWLEDGMENTS AND METHODOLOGY

Acknowledgments

Public Works LLC wishes to express our appreciation to Dr. Charles E. Hewes, Deputy Commissioner; CSDE staff; the HPS Board of Education; Superintendent Dr. Leslie Rodriquez-Torres; HPS central office staff; school principals; and the many district employees and other stakeholders who supported and provided input for this review.

We are grateful for the input and cooperation of the CSDE staff and the Connecticut State Board of Education and administration for their input into this review.

Fiscal Services Review Methodology

The Public Works team used a variety of methods to produce this report. The recommendations are typically triangulated, meaning that a variety of data is used as a foundation for each recommendation.

Project Kick-Off Meetings

For each phase of the Fiscal Services Review, Public Works LLC held a project kick-off meeting to review the scope of work with CSDE and HPS leadership and to provide both with a roadmap of expectations for the project.

Data Analysis

The Public Works team began by evaluating data, manuals, procedures, organizational charts, and other documentation. Our team reviewed and analyzed over 460 documents in the key areas of study.

Peer District Analysis

The National Peer District Report for Hartford Public Schools was prepared to compare Hartford with five districts: Brockton, Lowell, and Lynn, Massachusetts, as well as Newburgh and Syracuse, New York. These districts were chosen based on the similarity of their demographics, student-teacher ratios,

urban locales to those of Hartford, and the availability of choice or magnet programs. Data sources primarily included Connecticut State Department of Education, Massachusetts Department of Elementary and Secondary Education, New York State Education Department, and the National Center for Education Statistics.

Key data points highlight HPS' unique challenges and accomplishments. HPS' enrollment declined by 23.3 percent from 2014-15 to 2023-24, the highest among the districts; some of the comparison districts in fact experienced increases. HPS' student demographics saw a significant Hispanic population increase and a minor decrease in White and Black/African American students. Special education outplacements dropped sharply in HPS while economic disadvantage rates slightly declined, in contrast to the rising trends elsewhere.

Attendance rates deteriorated across all the districts, with HPS seeing a marked increase in absenteeism post-COVID. Graduation rates improved notably in HPS, especially for students with disabilities and English language learners. However, HPS' proficiency rates in English and Language Arts (ELA) and Math declined, mirroring national trends.

Financially, HPS' federal per-pupil revenue grew by 61 percent (2018-19 to 2020-21), exceeding peer increases. However, HPS' spending on choice and magnet programs is significant, affecting available funds per student.

In terms of grants, HPS received notable increases in federal funding from 2018-19 to 2020-21, with a 51.3 percent rise in Title I and a 30.2 percent rise in IDEA funding, surpassing the other districts, which generally experienced declines. The federal grants category, including Elementary and Secondary School Emergency Relief (ESSER) funds, saw significant growth for all districts. However, recent state-sourced grant funding in HPS underwent reductions in areas like Early Childhood Special Education and Title II.

Appendix B presents a summary of the comparison data. Public Works used various data points in the findings to support some of the recommendations in this study. Public Works did not rely solely on peer data to make any of our recommendations.

Surveys

Background. In collaboration with CSDE and the HPS administration, Public Works developed a 22-question survey assessing organizational efficiencies in areas of Purchasing and Procurement, Grants Management, Technology and Software, and Financial Processes and Procedures. A sample of 218 individuals were sent an email invitation to take the survey, which was made available over a four-week period in September 2024. The sample was drawn from internal HPS staff among the Division of Schools & Academic Excellence and the Division of Administration & Operations, along with School Principals, Assistant School Principals, and School Executive Assistants. Overall, 82 people responded to the survey –a nearly-40 percent response rate.

Survey Results Highlights. The majority (52%) of the respondents have been working at HPS for 16-plus years, while nearly one-quarter (22%) have been at HPS for five years or fewer. Over half of respondents desire more productive opportunities for HPS to enhance communication between staff and school principals along with School Executive Assistants. In areas of procurement, 42 percent feel that the procurement process is complicated and "unreasonable." A

significant number note that the Finance and Risk Management Department appears overwhelmed with a high workload and is understaffed, contributing to delays in responding to and processing requests. Almost 40 percent of respondents find the technology and software used for purchasing effective.

In the area of grants management, 41 percent find the process complex, burdensome, and time-consuming. Recurrent themes emerging among 300 open-ended comments cite onerous turn-around times to complete grant applications and to process expenditures once grants are awarded, as well as HPS' limited staff and resources to manage grants. A repeated refrain amongst the comments is the need for more training to assist HPS staff in effectively managing grants: nearly one-third rate current grant training as "unhelpful," while 42 percent are unable to rate the training ("No Opinion/Don't Know") at all.

Overall, respondents encourage HPS to develop strategies to streamline procurement and grants management, establish clarity of roles, and provide more effective ways to communicate and collaborate to fulfill their goals in providing high functioning schools-of-excellence to HPS' students.

Interviews and Focus Groups

Our team conducted interviews or focus groups with 12 CSDE staff members, 120 HPS staff at all levels of the organization, and approximately 25 City staff members, including:

- School Board members
- Superintendent
- Division/Department Chiefs
- Staff at all levels of the HPS central office, primarily in the Finance, Budget, Grants, and Curriculum Departments
- Executive assistants
- Principals
- Assistant Principals
- Teachers
- Fiscal supervisors
- Connecticut State Department of Education (CSDE) staff
- Hartford City Government Officials
- Union Leaders
- City Finance, Budget, and Accounting staff
- City Purchasing and Accounts Payable staff
- City Information Technology staff
- City Treasurer and staff
- City Capital Projects Director

All interviews were confidential. Many key staff were interviewed multiple times.

Tollgate Meetings and Draft Report

Public Works held numerous "tollgate" meetings with CSDE and HPS staff. During the first set of tollgates, our team reviewed potential findings, commendations, and recommendations, and obtained CSDE and HPS feedback. HPS staff had an opportunity to provide input on the initial findings.

Draft and Final Report

Revisions to the draft report were made as a result of the tollgate meetings and the written feedback forms provided by CSDE and HPS. The final report was provided to CSDE in February 2025.

Each recommendation includes an implementation strategy and timeline. The five-year fiscal impact is included for each recommendation and a total cost/savings exhibit is included at the end of this Executive Summary.

Exhibit E-1 shows the timeline for the Fiscal Services Review.

EXHIBIT E-1
TIMELINE FOR THE HPS FISCAL SERVICES REVIEW

DATE	ACTIVITIES
June 2024	Finalized Contract
June 2024	Kick-Off Meetings with HPS & CSDE Staff
June & July 2024	Data Requests
July-September 2024	Virtual Diagnostic Interviews and Focus Groups
September 16-20, 2024	Onsite Visit to HPS (interviews and focus groups)
September 2024	Survey
September 2024	Peer District Analysis
November 2024	Tollgate Meetings to Discuss Findings
February 2025	Final Report Sent to CSDE
March 2025	Report Presentation to the State Board of Education

IV. SUMMARY OF FINDINGS, COMMENDATIONS, AND RECOMMENDATIONS

This Executive Summary highlights critical issues identified in the comprehensive fiscal services review of HPS, focusing on organizational inefficiencies, budgetary challenges, fiscal mismanagement, and outdated policies and standard operating procedures. The findings underscore the urgency of immediate action to address these issues, to ensure financial accountability, and to align resources with HPS' mission to provide equitable, high-quality education for its students. The recommendations outlined provide a roadmap for restructuring and improving fiscal services to support the educational outcomes of over 16,500 students.

The full report has 12 commendations and 46 recommendations. Each of the recommendations includes a fiscal impact analysis.

COMMENDATIONS

This Executive Summary highlights only a few of the 12 commendations for HPS financial operations.

HPS is commended for:

- **working with the City to provide basic training on the procurement and accounts payable processes;**
- **having an effective system in place to track the student device inventory;**
- **working with the City to ensure that HPS assets are properly insured and employee safety is maintained; and**
- **achieving the full potential of Medicaid claims.**

Overview of Recommendations

The report provides 46 recommendations in the areas of finance and grants management needing improvement. While there is a separate report section for each of the areas under review, many commonalities or themes surfaced across HPS' two functional areas under review. Below shows the four overarching themes of the full report and a sampling of key findings and recommendations.

Changes in the Organizational Staffing and Structures Needed:

The review reveals significant deficiencies in the staffing and structural organization of the educational service delivery functions of HPS as well as the Finance and Risk Management Department, impeding its ability to manage fiscal responsibilities effectively, which has a direct impact on the District's ability to provide a high-quality education and needed services to its students. A contributing factor to the budget shortfall was the District's decision to use one-time ESSER grant funds to fund approximately 230 positions, which could no longer be supported with existing funds.

- **Findings:**
  - The prolonged vacancy in the Chief Financial Officer (CFO) position has disrupted departmental cohesion, with siloed operations and inadequate communication between functional units.
  - High staff turnover, including the elimination of regular and ESSER-funded positions relating to budget shortfalls, retirements, and unfilled critical roles, has depleted institutional knowledge, further weakening financial oversight and the District's ability to deliver high-quality educational programs for its students.
  - Layers of management over the educational delivery function are redundant in some instances and principals lack consistent administrative and operational support, relying on Executive Directors of School Leadership (EDSLs) focused primarily on instructional matters.
  - HPS has few identified program owners or a grants leadership position to oversee and coordinate the planning and use of grant funds and ultimately to ensure that grant goals and expectations were accomplished.
  - The current hierarchy within the Finance and Risk Management Department fails to provide clear guidance or sufficient managerial oversight to ensure internal fiscal accountability or fiscal accountability across schools.
- **Recommendations:**
  - Immediately hire a qualified CFO to restore leadership and implement a cohesive reorganization plan. Consolidate the educational service delivery leadership hierarchy by reducing the number of administrators and realigning the remaining positions to provide more direct support and assistance to principals.
  - Immediately assign a program owner to each grant, create a Grants Coordinator position to coordinate the efforts of the program owners, and re-establish the position of districtwide Grant Writer.
  - Fill critical vacancies and establish clear chains of command and provide comprehensive training for finance staff

to rebuild expertise and institutional knowledge.

Absence of Grant Planning and Inadequate Budget Development Processes:

The grants planning and budgeting process has, in recent years, been accomplished without programmatic involvement. HPS' grant management processes lack cohesion and compliance, jeopardizing funding utilization and accountability, as evidenced by the fact that, late in FY 2024, Hartford had nearly $100 million in unclaimed grant balances. Once made aware of the issue by CSDE, the District took extraordinary measures to use and claim the majority of those dollars. The use of these funds, however, without adequate planning and oversight, does little to ensure that students are provided the high-quality services and programs they need to succeed.

- **Findings:**
  - Budgets in recent years have been created based on total funding from all sources without regard to the intended purpose of the grants: to supplement and improve programs and services for targeted, underserved student populations. Once created, the Budget Office allocates the budgeted funds to the various grants based on the allowable expenditures for each grant.
  - Grant applications are created based on the allocations made during the budget process with only limited programmatic involvement, which severely limits the District's ability to provide meaningful and effective educational programs to its students and leads to amendments and modifications being required throughout the year.
  - Grant applications are not systematically presented to the School Board for approval, violating policy and limiting oversight.
  - The absence of key performance indictors to track grant performance, and of programmatic involvement and central coordination, hinder HPS' ability to maximize the intended grant outcomes: to improve student performance and provide needed services to targeted or underserved populations.
- **Recommendations:**
  - Develop centralized, streamlined grant planning and documentation processes for the use of grant funds during the normal budget process based on identified instructional and academic needs, and base the allocation of grant funds on those plans.
  - Establish measurable goals and objectives for each grant that are aligned with the purpose and intent of the grant and are regularly monitored to ensure that the allocated funds are being used effectively to improve student performance and are accomplishing the identified goals with fidelity.
  - Implement a grant approval process that aligns with Board policy while accommodating urgent submission timelines.
  - Create and disseminate a comprehensive grants management procedural manual to guide staff in budgeting, monitoring, and compliance.
  - Leverage technology to improve grant tracking and performance reporting.

Lack of Sound Fiscal Management:

The Finance and Risk Management Department has failed to implement several standard financial controls and processes, even though the MUNIS system has the capability to automate these processes. HPS faces persistent fiscal challenges stemming from structural inefficiencies, inadequate oversight, and reliance on inefficient and undocumented manual processes.

- **Findings:**
  - HPS mitigated a $37 million budget deficit for FY 2024-25 through one-time measures, but more effective and efficient resource allocations are needed to maximize utilization of funds and ensure fiscal stability.
  - Staffing controls are inadequate, as evidenced by the fact that HPS is unable to provide information on the number of vacancies or to ensure with fidelity that the grant staffing allocations are adhered to, because HPS uses a multi-to-one position control process whereby many employees are given the same control number.
  - The process for grant drawdowns and revenue reconciliation is not documented. History indicates that drawdowns were not performed in a timely manner and revenue reconciliations were limited.
  - Purchase requests are being used extensively, which circumvents the MUNIS budgetary and purchasing control process.
  - Receiving documents are not being used to validate invoices before payment, and the MUNIS system's receiving model, which would automate this process, has not been implemented.
- **Recommendations:**
  - Immediately implement a one-to-one position control process.
  - Tighten purchasing controls by discontinuing the use of purchase requests except in limited cases.
  - Implement three-way matching of purchase orders, invoices, and receiving documents prior to payment of invoices, and implement the receiving module in MUNIS.
  - Document and closely monitor the grant drawdown and revenue reconciliation procedures.

Lack of Standard Operating Processes, Procedures, and Policy:

The absence of current, documented policies and standard operating procedures (SOPs) has led to inefficiencies and compliance risks across HPS' fiscal operations.

- **Findings:**
  - Budget development lacks a procedural manual resulting in inconsistencies and inefficiencies year-over-year.
  - Critical finance and grants management processes are undocumented, leaving staff reliant on informal knowledge-sharing.
  - Outdated School Board policies fail to reflect current fiscal realities, provide a framework in which HPS administration is to operate, or enumerate statutory requirements, increasing the risk of non-compliance.

- **Recommendations:**
  - Develop and implement written SOPs for all fiscal operations, including budget development, grants management, and procurement processes.
  - Partner with the Connecticut Association of Boards of Education (CABE) to update policies systematically and to host them online for transparency.
  - Regularly review and revise SOPs to align with evolving best practices and statutory requirements.

Fiscal Impact

Several recommendations do not have any fiscal impact; however, all represent needed improvements to current policies, practices, and procedures.

There are five recommendations with a measurable fiscal impact. As shown in **Exhibit E-2**, Public Works identified potential five-year net savings of **$1,962,761** that could be realized by HPS if all recommendations are implemented.

EXHIBIT E-2
RECOMMENDATIONS AND FISCAL IMPACTS

RECOMMENDATION	2025-26	2026-27	2027-28	2028-29	2029-30	Total 5-year (cost) or savings	One-time (cost) or savings
1.0 Fiscal Management							
REC 1-1 Take action to immediately identify and hire a Chief Financial Officer and organizationally move the position to report directly to the Superintendent.	$0	$0	$0	$0	$0	$0	$0
REC 1-2 Consolidate the leadership hierarchy over the schools and principals by eliminating the Chief of Schools position and a minimum of two EDSL positions; clearly define the roles of each position in the chain of command to ensure principals receive both instructional as well as administrative and operational support.	$445,320	$445,320	$445,320	$445,320	$445,320	$2,226,600	$0
REC 1-3 Establish a clear chain of command for each unit and function within Finance; immediately seek to fill vacancies with highly qualified staff; and consider how to build a more effective organization.	$0	$0	$0	$0	$0	$0	$0
REC 1-4 Create desk procedures for all finance-related functions.	$0	$0	$0	$0	$0	$0	$0

RECOMMENDATION	2025-26	2026-27	2027-28	2028-29	2029-30	Total 5-year (cost) or savings	One-time (cost) or savings
REC 1-5 Provide HPS School Board members with specific HPS financial management and budgeting training on a routine basis, encourage all board members to view the Connecticut Association of Boards of Education (CABE) webinars on finance and budget, and establish a time at all board meetings to devote to finance and budget discussion.	$0	$0	$0	$0	$0	$0	$0
REC 1-6 Invest in the CABE Quarterly Policy Update services.	($4,951)	($2,222)	($2,222)	($2,222)	($2,222)	($13,839)	($20,600)
REC 1-7 Contract with the CABE to begin policy updates and develop a plan for systematically reviewing and updating all HPS School Board Policies, beginning with those directly related to financial management and grants administration.	$0	$0	$0	$0	$0	$0	$0
REC 1-8 Revise HPS School Board Policy 3210 to address the various types of grants and the actual expectations of the board for reviewing grant applications.	$0	$0	$0	$0	$0	$0	$0
REC 1-9 Develop written procedures to guide the budget development process.	$0	$0	$0	$0	$0	$0	$0
REC 1-10 Once the program owners are assigned, provide comprehensive training on the basic concept for grants budgeting and planning by CSDE or an outside expert from a successful school district.	$0	$0	$0	$0	$0	$0	($10,000)
REC 1-11 Collaborate with HPS leadership and HPS Finance Department staff to determine the needs for budgeting software and how to maximize the right choice of software for all stakeholders of the process.	$0	$0	$0	$0	$0	$0	$0
REC 1-12 Implement a comprehensive process for budget monitoring.	$0	$0	$0	$0	$0	$0	$0
REC 1-13 Implement a process for budget amendments that aligns with HPS School Board Policy and incorporates best practices.	$0	$0	$0	$0	$0	$0	$0
REC 1-14 Prepare and submit a comprehensive list of capital improvement needs to the HPS School Board and the City.	$0	$0	$0	$0	$0	$0	$0

RECOMMENDATION	2025-26	2026-27	2027-28	2028-29	2029-30	Total 5-year (cost) or savings	One-time (cost) or savings
REC 1-15 Analyze the closeout procedures and dates to ensure reasonableness, provide training to appropriate staff on the process, and enforce the due dates with fidelity.	$0	$0	$0	$0	$0	$0	$0
REC 1-16 Develop written procedures to guide the financial management process.	$0	$0	$0	$0	$0	$0	$0
REC 1-17 Develop a plan to meet monthly with Financial Planning & Grants Management, Contracts, Financial Systems, Financial Management, and Payroll to address specific questions, concerns, and roles within the HPS Finance Department.	$0	$0	$0	$0	$0	$0	$0
REC 1-18 Develop a purchasing guide for HPS users that addresses the processes and procedures relative to school operations including two CFR sections relating to purchases made with federal funds.	$0	$0	$0	$0	$0	$0	$0
REC 1-19 Restrict the use of payment vouchers to only those purchases that are absolutely necessary to ensure that pending purchases are encumbered in MUNIS in a timely manner and competitive purchasing guidelines are followed where appropriate.	$0	$0	$0	$0	$0	$0	$0
REC 1-20 Implement a process whereby HPS conducts an annual survey of schools and departments to determine contract needs for the coming fiscal year, and issue blanket contracts, where appropriate.	$0	$0	$0	$0	$0	$0	$0
REC 1-21 Work with the City Purchasing Office to develop guidelines for dealing with vendors, cleaning up the vendor lists, and creating a system for maintaining those lists.	$0	$0	$0	$0	$0	$0	$0
REC 1-22 Require the purchaser to sign off on and scan a copy of the receiving paperwork into MUNIS where accounts payable staff can match it with the invoice and original purchase order.	$0	$0	$0	$0	$0	$0	$0
REC 1-23 Update and streamline the approval paths in MUNIS in an effort to streamline the overall approval process.	$0	$0	$0	$0	$0	$0	$0

RECOMMENDATION	2025-26	2026-27	2027-28	2028-29	2029-30	Total 5-year (cost) or savings	One-time (cost) or savings
REC 1-24 Work with the City to establish a more comprehensive fixed asset management system for HPS that includes periodic inventories.	$0	$0	$0	$0	$0	$0	$0
REC 1-25 Expand the use of VISOR to include all classroom devices and work with the City to determine the most effective way to track and inventory staff devices.	$0	$0	$0	$0	$0	$0	$0
REC 1-26 Establish regular monthly or quarterly meetings where technicians and leadership from the City IT and instruction technology areas can meet and discuss common issues.	$0	$0	$0	$0	$0	$0	$0
REC 1-27 Require vendors to tag devices purchased with federal dollars with a recognizable tag, and research and publish the federal requirements for the disposal of assets purchased with federal dollars.	$0	$0	$0	$0	$0	$0	$0
REC 1-28 Develop and document a comprehensive process for revenue reconciliation that includes procedures for cash, checks, and wire transfers to be included in the finance procedural manual discussed in Section 1.2.4.	$0	$0	$0	$0	$0	$0	$0
REC 1-29 Explore and implement MUNIS project capabilities for a more automated process for tracking and reconciling revenues, including drawdowns.	$0	$0	$0	$0	$0	$0	$0
REC 1-30 Establish regular monthly or quarterly meetings with OTM, the Payroll unit, and the General Counsel/Labor Relations Office to discuss common interests and concerns.	$0	$0	$0	$0	$0	$0	$0
REC 1-31 Leadership should require the Capital Preparatory Magnet School to comply with calendar-related requests to ensure that employees are paid appropriately.	$0	$0	$0	$0	$0	$0	$0
REC 1-32 Conduct a comprehensive needs assessment and analysis of Frontline capabilities and determine if the continued use of Frontline is warranted or whether there are other systems that would more fully meet the District's needs.	$0	$0	$0	$0	$0	$0	($40,000)

RECOMMENDATION	2025-26	2026-27	2027-28	2028-29	2029-30	Total 5-year (cost) or savings	One-time (cost) or savings
REC 1-33 Convert all positions to a unique position control number.	$0	$0	$0	$0	$0	$0	($20,000)
Total (Cost) or Savings	**$440,369**	**$443,098**	**$443,098**	**$443,098**	**$443,098**	**$2,212,761**	**($90,600)**
2.0 Grants Management							
REC 2-1 Create the position of Federal/ State Grants Coordinator.	$0	$0	$0	$0	$0	$0	$0
REC 2-2 Create a small office with administrative support for the Federal/ State Grants Coordinator to assist in the programmatic coordination of efforts among the grant owners and the initial training and support for new grant owners.	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)	($250,000)	$0
REC 2-3 Update the Guide to Special Funds manual to incorporate current practices and best practices to achieve a comprehensive grants management process. Identify existing staff and additional staff required to implement the process. Train all stakeholders on the process for initial implementation and as needed thereafter.	$0	$0	$0	$0	$0	$0	$0
REC 2-4 Establish a consistent process for storing grant-related documents, the majority of which should be uploaded to MUNIS, and share that information with users who may need access to that data.	$0	$0	$0	$0	$0	$0	$0
REC 2-5 Implement a grant planning process that follows the budget creation calendar and results in proactive decisions for use of grant funds and provides training to program staff on the grants planning process.	$0	$0	$0	$0	$0	$0	($30,000)
REC 2-6 Identify programmatic owners for each grant and clearly define the grant owners' duties and responsibilities.	$0	$0	$0	$0	$0	$0	$0
REC 2-7 Create a grant writer position who would work with the program areas and Strategic Partnerships and Fund Development Department to identify third party funds that could be used to enhance programs such as CTE.	$0	$0	$0	$0	$0	$0	$0
REC 2-8 Create key performance measures to track and monitor programmatic and operational performance for grants.	$0	$0	$0	$0	$0	$0	$0

RECOMMENDATION	2025-26	2026-27	2027-28	2028-29	2029-30	Total 5-year (cost) or savings	One-time (cost) or savings
REC 2-9 Update the Guide to Special Funds manual to incorporate current practices and best practices to achieve a comprehensive grant monitoring process. Identify existing staff and additional staff required to implement the process. Train all stakeholders on the process for initial implementation and as needed thereafter.	$0	$0	$0	$0	$0	$0	$0
REC 2-10 Create documented procedures for processes carried out in Financial Planning and Grants Management.	$0	$0	$0	$0	$0	$0	$0
REC 2-11 Update the Guide to Special Funds manual to incorporate current practices and best practices to achieve a budget amendment and revision approval process in alignment with Board Policy. Identify existing staff and additional staff required to implement the process. Train all stakeholders on the process for initial implementation and as needed thereafter.	$0	$0	$0	$0	$0	$0	$0
REC 2-12 Update the Guide to Special Funds manual to incorporate current practices and best practices to achieve a comprehensive grant closeout process. Identify existing staff and additional staff required to implement the process. Train all stakeholders on the process for initial implementation and as needed thereafter.	$0	$0	$0	$0	$0	$0	$0
REC 2-13 Explore alternatives for closeout that allow for program areas to order supplies and services needed during the summer and at the start of school.	$0	$0	$0	$0	$0	$0	$0
Total (Cost) or Savings	**($50,000)**	**($50,000)**	**($50,000)**	**($50,000)**	**($50,000)**	**($250,000)**	**($30,000)**
GRAND TOTAL	**$390,369**	**$393,098**	**$393,098**	**$393,098**	**$393,098**	**$1,962,761**	**($120,600)**

V. NEXT STEPS

The HPS School Board and Superintendent have an opportunity to use this report's findings and recommendations to transform the Finance and Grants Management departments; to better its culture, climate, and operations; and to increase its effectiveness and performance.

Internalizing the findings, committing to improvement, creating the environment to make changes, and implementing the recommendations – although not a simple assignment – will be necessary for HPS.

The cost of ignoring the findings and recommendations, or postponing implementation, is a disservice to the needs of HPS, its stakeholders, staff, and students.

Public Works suggests that HPS post this report on its website to allow all stakeholders an opportunity to access it.

Creating a plan of action to implement the recommendations rests with HPS leadership. Some school districts choose to assign one point-person per operational area to establish an implementation schedule and oversee the completion of recommended actions. An electronic tracking system should be established so HPS staff can provide quarterly updates to the Hartford Board of Education regarding the status of implementation. The Public Works team will assist HPS over the next six months in its efforts to implement the recommendations.

In our experience, districts should be able to achieve at least an 80 percent implementation rate on such recommendations. These recommendations are sound and doable; HPS should embrace these changes to improve the efficiency and effectiveness of its operations.

Hartford Public Schools

Final Report

Connecticut State Board of Education (SBOE) Meeting

March 5, 2025

Presenters:
Eric Schnurer, President, Public Works LLC
Dr. JoAnn Cox, Consultant, Public Works LLC
Ms. Betty Ressel, Consultant, Public Works LLC

- Founded in 1995
- High-level policy consulting to state and local governments in almost every state in the country
- Comprehensive reviews for six states and two U.S. territories, 18 additional state agencies, 12 school districts, a dozen other government entities, and several large city and county government
- Recognized as a national leader by *The Atlantic*, *Governing* magazine, and the Council of State Governments.
- Selected as the sole supplier of such reviews by the National Association of School Boards
- Consistently identify annually-recurring savings of 5% of government operating budgets and 2% in school districts

HISTORY AND PURPOSE OF THE HPS FISCAL SERVICES ANALYSIS

- CSDE provided $452 million in state and federal grants available to the Hartford Public Schools (HPS) in 2023-24, including unclaimed balances of more than $92 million as of May 15, 2024.
- CSDE and HPS Superintendent reported to Accountability and Support Subcommittee of the State Board on the impact of reductions in proposed 2024-25 HPS budget, particularly reductions to staff.
- Committee asked questions to determine if HPS would meet its obligations under respective state and federal grants.
- Based on HPS's responses, Committee determined that district was a system in need of improvement.
- SBE authorize the Commissioner of Education to take action pursuant to CGS Section 10-223e(e)(2).
- CSDE engaged Public Works LLC to examine HPS' preexisting financial systems and procedures along with current operational structures & determine short- and long-term actions to improve financial operations.

Scope of Work

Objective: Examine HPS' financial systems, procedures, and operational structures to determine both short- and long-term action to improve financial operations

Grant Management Review

- Review state/federal grant expenditures/utilization of funds before obligation & liquidation deadlines
- Review current grants management fiscal processes & procedures
- Develop process & system recommendations to ensure full utilization of state/federal funds

Fiscal Systems Review

- Review current fiscal processes and procedures, including
  - *Financial management*
  - *Purchasing*
  - *Grants management*
  - *Asset/Risk Management*
  - *Related IT systems*
- Conduct needs assessments, including identifying assets, inefficiencies, constraints, operational barriers, capacity limits
- Develop process & system recommendations to address needs assessment

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Commendations & Recommendations

The final report contains 12 commendations and 46 recommendations. If HPS implements all 46 recommendations, the district could save an estimated $1,962,761.

NOTE: The findings and recommendations presented here reflect the conditions Public Works found at the time of the initial review. HPS has acknowledged the need for change and over the last six months has taken action to make improvements. Slide 23 presents examples of HPS' progress to-date.

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Overview of HPS Survey Results

September 2024 survey had a 40% response rate and more than 300 open-ended comments from internal HPS staff among the Division of Schools & Academic Excellence and Division of Administration & Operations along with School Principals, Assistant School Principals, and School Executive Assistants.

Overall, respondents encourage HPS to develop strategies to streamline procurement and grants management, establish clarity of roles, and provide more effective ways to communicate and collaborate to fulfill their goals in providing high functioning schools-of-excellence to HPS' students.

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Key Survey Results

- The majority (52%) of the respondents have worked at HPS for 16-plus years; 22% have been at HPS for five years or less.
- In areas of procurement, 42 percent feel that the procurement process is complicated and "unreasonable."
- A significant number note that the Finance and Risk Management Department appears overwhelmed with a high workload and is understaffed, contributing to delays in responding to and processing requests.
- In the area of grants management, 41 percent find the process complex, burdensome, and time-consuming.

Recurrent Themes from Open-Ended Comments

- Onerous turn-around times to complete grant applications and to process expenditures once grants are awarded, as well as HPS' limited staff and resources to manage grants.
- The need for more training to assist HPS staff in effectively managing grants: nearly one-third rate current grant training as "unhelpful," while 42 percent are unable to rate the training ("No Opinion/Don't Know") at all.

Project Scope

Comprehensive Analysis

Grant management, fiscal processes, and operational structures.

Objective

Maximize funding, modernize policies, and strengthen controls.

Key Commendations

Procurement & Accounts Payable Training

HPS collaborated with the City on procurement and accounts payable training.

Student Device Inventory Tracking

HPS effectively tracks student device inventory.

Asset & Employee Safety

HPS ensures proper insurance of assets and employee safety.

Maximizing Medicaid Claims

HPS maximizes Medicaid claims to generate revenue.

Summary of Critical Findings and Recommendations

Organizational & Staffing Deficiencies

Redundant layers of management positions, unfilled critical vacancies, and a lack of program ownership and management of grants were identified as areas for improvement.

Lack of Cohesive Grant Planning & Budgeting

Little planning for grants is carried out in advance of the budget process, grant allocation are made after the budget it adopted, and grant applications are developed based on the allocations. The grant planning and budgeting processes need to be proactive and based on grant intent and instructional needs.

Summary of Critical Findings and Recommendations

Weak Fiscal Management and Fiscal Controls

The use of manual processes rather than using the MUNIS capabilities, the absence of basic financial controls and a loss of institutional knowledge due to vacancies weaken HPS' fiscal management process. Management controls need to be strengthened to ensure effectiveness and accountability.

Outdated or Non-Existent Financial Policies & Procedures

Few financial policies or documented operating procedures exist or have been updated. Creating or updating the policies and procedures will ensure compliance and improve efficiency.

Key Organizational & Staffing Issues

1. Vacant CFO Position

The CFO position was vacant for over a year, creating a leadership gap.

2. Redundant Layers of Administration

Layers of management over the educational delivery function are redundant in some instances and do not provide principals with the level of support needed to carry out their operational and instructional duties.

3. Short-Staffed Finance Team

Unfilled critical vacancies and high staff turnover have left the finance team understaffed, further weakening financial oversight.

4. Lack of Program Ownership for Grants

HPS has few program level staff assigned to oversee and coordinate the planning and use of grant funds.

Grants Planning & Budgeting Challenges

Budgeting Approach

Budgets are developed by lumping total funding sources together, limiting programmatic input.

Grant Allocation

Grants allocated after budgets were set, with limited programmatic input.

Grant Goals & Objectives

Grant goals and objectives are not always defined, monitored, or aligned with grant expenditures.

Board of Education Oversight

Board oversight of grant applications inconsistent.

Fiscal Management Weaknesses

Manual Processes

Staff rely on manual processes instead of automated MUNIS capabilities.

Position Control

Multi-to-one position control impedes accurate staffing/vacancy data and inhibits management of grant funded positions.

Grant Drawdowns

Grant drawdowns and reconciliation processes are not systematic.

Purchase Requests

Purchase requests bypass regular budgetary and purchasing controls.

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Outdated Policies & Procedures

Board Policies

Board policies are outdated and do not consistently reflect current statutory requirements.

Operating Procedures

Lack of documented Standard Operating Procedures for key finance, grants, and procurement tasks, leaving staff reliant on informal knowledge-sharing.

Budget Manual

The absence of a budget development manual results in inconsistencies and inefficiencies from year-to-year.

Key Recommendations

1. Reorganize Finance & Leadership

Fill CFO and critical vacancies. Realign administrative structures and build a more cohesive team.

2. Strengthen Grant Planning & Execution

Assign program owners. Develop measurable goals and implement planning calendars.

3. Implement Sound Fiscal Management Processes

Implement One-to-one position control, tighten purchasing and invoice approvals and establish documented processes for drawdowns and reconciliations.

4. Update Policies & Develop SOPs

Contract with the Connecticut Association of Boards of Education for policy updates. Create a comprehensive procedural manual. Provide ongoing staff training.

Organizational & Staffing Recommendations

1. CFO Hire

Hire a qualified CFO and realign finance functions.

2. Streamline Administration

Reduce the number of administrators and realign the remaining positions to provide more direct support and assistance to principals.

3. Grant Specific Positions

Add grants-specific positions, such as a Coordinator and Grant Writer.

4. Document Chain of Command

Document chains of command to improve communication.

Grant Planning & Budgeting Recommendations

1. Integrate Grant Planning

Integrate grant planning into the annual budget cycle.

2. Define Measurable Goals

Define measurable goals for each grant and monitor performance regularly.

3. Present Grant Applications

Present grant applications to the Board of Education for oversight.

4. Develop Training & Guidance

Develop training and guidance manuals for staff.

Fiscal Management Recommendations

1. Position Control

Move to one-to-one position control for accurate staffing data.

2. Purchase Orders

Eliminate purchase requests; use MUNIS purchase orders.

3. Three-Way Matching

Implement three-way matching before payments are made.

4. Grant Drawdowns

Document grant drawdowns and revenue reconciliation.

Policies & Procedures Recommendations

1. Modernize Board Policies

Utilize Connecticut Association of Boards of Education Quarterly Policy Update Services to ensure policies are current.

2. Regularly Review Procedures

Periodically review and update procedures to reflect evolving best practices.

3. Develop Standard Operating Procedure Manuals

Create comprehensive Standard Operating Procedure manuals for finance, budget, and grants processes.

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Next Steps

1. Immediate Action

- Post full report on the HPS website for transparency.
- Assign point-persons for each recommended operational area.
- Establish an electronic system to monitor implementation.

2. Implement Oversight

- Provide quarterly updates to state Department of Education and Hartford Board of Education on progress.
- Aim for at least 80% recommendation adoption within a feasible timeline.

3. Public Works Support

- Provide technical assistance directly aligned to the recommendations found in the report to HPS through June 2025.

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Thank You

Contact Info

For more information or questions, please contact:

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Q & A

Open discussion for questions and insights.