

November 19, 2021

East Hartford Board of Education Members (EHBOE)
1110 Main Street
East Hartford, CT 06108

Dear Board Members,

This transmittal provides an overview of the Superintendent's Proposed Budget Request for Fiscal Year 2023 (FY23). The proposed net budget allocation request of \$95,993,863 represents a 1.9% increase over the current year's amended budget. East Hartford Public Schools (EHPS) continues to evaluate every grant opportunity available to minimize the financial impact on the overall Town of East Hartford budget, adding only required Special Education (SPED) positions to the FY23 general budget. Even with the SPED positions added and \$1.1M of contractual salary increases, we managed to *reduce* our overall salary costs by almost \$200,000. The categories driving the overall increase, either contractual in nature out outside of the direct control of EHPS, are articulated in this transmittal, and reflect continuation of current services.

It is important to distinguish the General Budget preparation process from the unprecedented influx of federal funds through the Elementary and Secondary Schools Emergency Relief (ESSER2) and American Rescue Plan (ARP) programs, which were provided with a targeted focus on renewal, reducing opportunity gaps, accelerating learning, and advancing equity for all students. Designed as on-time, non-sustainable funds, more than half of the \$30.3M combined total allocation will be used to fund impactful infrastructure projects contained in our Capital Improvement Plan. While a significant portion of the remainder will be used to fund sustainment of the 1:1 technology device program, required software and technology infrastructure, and new staff positions aligned with the program intents above, the reality is that EHPS has leveraged these grants to maintain continuity of services. As such, challenges will lie ahead in future budget years, especially FY25, when "re-entry" decisions will need to be made regarding staff funded through these grants, as well as ongoing technology sustainment needs. We will meet these challenges as we always do, with a spirit of collaboration, prudent fiscal management, and the best interests of the children and taxpayers of East Hartford at the forefront.

I would like to thank the Board, our Mayor, Town Council Leadership and State Delegation for their on-going commitment to provide a high-quality learning experience for *Every Child, Every Day*.

Major Driver	Explanation
Salaries-Existing (\$526,002)	Contractual increase for all salary obligations including the Town Council approved Teacher and Administrative collective bargaining agreements for the district work force of over 1,300 employees. The total increase of \$1.1M was mitigated by moving the balance of grade 3 teachers remaining in the general budget and some grade 4 teachers (total of 21 full-time teaching positions) to the estimated increased Alliance Grant. Once detailed as a mitigation strategy, this ongoing reliance is now considered commonplace and built directly into the budget preparation process- though there is always a risk the Alliance Grant will not be fully funded by legislators each year.
Salaries-New SPED \$326,894	The ever-increasing demand on Special Education services across the district has necessitated the addition of two new SPED classrooms, which will be located at Mayberry and Norris and each staffed with a SPED Teacher, Behavior Manager, and (2) Paraprofessionals.
Student Transportation \$543,761	DATTCO contractual increase of 8% over FY22 budget rates was partially mitigated by revised usage projections and the elimination of one T1 bus route serving magnet schools.
Magnet Tuition \$335,328	EHPS worked with our legislators in FY21 and received, for the first time, the total amount due under the 7% Magnet Cap Grant (\$1,658,635 vs \$915,000 historically received). Unfortunately, enrollment increases (FY22 vs FY21) of 6% and tuition increases of 19% (mostly driven by CRECs 18% increase to

	LEA share), as well as less funding allocated to tuitions from the Alliance Grant eroded the impact of this grant. In an effort to keep the budget as lean as possible, enrollments are budgeted at FY22 levels.
Special Education External Placements/Tuitions \$810,377	While not as drastic of an increase as last year, these accounts continue to “chase actuals” as the overall number of SPED students continues to increase, as well as provider costs. As with magnet tuitions, in an effort to run as lean as possible, this category has been budgeted at FY21 actual levels, which risks being underfunded.

The table below outlines costs currently being funded in what is supposed to be “one-time” federal funding, as well as current mitigation strategies that will not be available (or reduced) in future years. All of these amounts (total of \$5.25M) are annual, reflecting the actual cost avoidance to the general budget for this fiscal year. The general budget increase would be 7.4% without the availability of these resources.

Mitigation Strategy	Description and Risks
Staff Positions funded through ESSER2/ARP \$2,975,479	ESSER 2 (ending 9/30/2023) and ARP (Ending 9/30/2024) currently carry 50.25 FTE in FY23. Many of these positions were moved into these grants from the general budget for FY22 to avoid being cut. While about 20% of the positions were designed to be phased out through attrition, EHPS will have to decide what to continue beyond FY24, with at least (11) critical positions having to re-enter the general budget and (28) currently without an alternative funding source.
1:1 Initiative Continuation -Devices and Infrastructure: \$965,500	ESSER2/ARP allow EHPS to maintain the 1:1 student and staff device initiative put in place in 2020 through FY24, as well as maintain the network infrastructure required to support devices. Since the 1:1 program is now the new educational standard, almost \$1M will have to be added to the general budget beginning in FY25.
IT Software: \$338,199	With the move to 1:1 devices comes increased costs for support software, both in the areas of instructional software and network/enterprise management software. The majority of software is licensed-based, so costs occur annually.
Alliance “Intrinsic” Salary Increases \$522,759	Salaries contained in the Alliance Grant are subject to annual contractual increases, which dilutes the value of annual expected increases to the Alliance Grant. For FY23, contractual increases represent nearly 25% of the project Alliance increase, limiting the amount of new staff that can be moved in. If the Alliance increase does not occur as planned, these increases must be covered by the general budget.
Restoral of OBEB Contribution	Prepayments of the annual OPEB obligation (usually \$650k) in FY20, 21, and potentially 22 will lower the FY23 funding requirement to \$200k (if pre-payment is not made in FY22 the FY23 liability will be \$314k). Pre-pay ability will likely not exist as it did in FY20-22, leading to at least a \$450k increase to the FY24 budget, unless the Town lowers the required contribution

Finally, I’d like to remind you of several important meetings that will occur over the next few weeks as the EHBOE budget process progresses. These meetings will be important opportunities to share, discuss and review our budget plan. Continuing the distribution methods employed last year, budget documents are being provided in electronic format only. If you require a printed copy, please let my office know by Wednesday, November 24, and one will be produced for the workshop session.

Date	Time	Location	Description
11/29/21	6:00PM	EHHS Library	Budget Workshop #1, Town/Board Overview
11/30/21	5:30PM	Video Conference https://zoom.us/j/94343870641 Dial: +1 929 436 2866	Public Hearing on FY23 Proposed Budget

11/30/21	6:00PM	Video Conference https://zoom.us/j/94343870641 Dial: +1 929 436 2866	Budget Workshop #2, Detailed Program Budget Review
12/7/2021	6:00PM	Administration Building (1110 Main)- 3 rd Floor Conference Room	Budget Workshop #3, (Pending need)
12/20/2021	7:00PM	CIBA Lecture Hall	Adoption of the Board's Proposed FY23 Budget

I look forward to working through the remainder of the budget process with you as we continue to work hard on behalf of our children and families in East Hartford.

Sincerely,



Nathan D. Quesnel
Superintendent of Schools

cc. Mayor Michael Walsh
All Town Council Members

Attachment: Superintendent's Proposed FY23 Budget