

Special Finance Committee
Tuesday, February 4, 2025 5:30 PM
DMS Cafetorium 73 Chatfield Street

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1. Call To Order

Speaker(s): Mrs. O'Hara

1.A. Opening Ceremonies

Speaker(s): Mrs. O'Hara

1.B. Roll Call

Speaker(s): Mrs. O'Hara

2. Public Participation

Speaker(s): Mrs. O'Hara

Prior to the commencement of any public meeting of any board of the city, the agenda for said meeting shall be posted in the meeting room and the first order of business of said meeting shall be the entertainment of public discussion on any item on said agenda and the conduct, length, and method of terminating said public discussion shall be determined by majority vote of the members of said board of commission.

3. Approval of Minutes

Speaker(s): Mrs. O'Hara

Motion: *The Finance Committee approve minutes from the January 15, 2025 meeting.*

4. Federal Funding Freeze Follow Up

Speaker(s): Mrs. O'Hara, Dr. Conway, Mr. Trainor

5. Review FY26 Budget

Speaker(s): Mrs. O'Hara, Mr. Trainor, Dr. Conway

6. Adjourn

Speaker(s): Mrs. O'Hara

Motion: *The Finance Committee adjourn its meeting.*

Finance Committee Meeting Minutes

January 15, 2025

Dr. Conway
Rebecca O'Hara
Jim Gildea
Ken Marcucio
Laura Harris
Robbie Trainor
Dr. Michael Rafferty

Item #1 - Pledge of Allegiance

Item #2 - Nobody from the Public wishing to speak.

Item #3 – Approval of Minutes

Laura made a motion that Finance Committee approve Minutes from December 22, 2024

Ken Marcucio seconded that motion.

Ken would like to make a correction to those minutes from December 22, 2024 because it says he did not vote to adjourn. Discussion on whether or not Ken was in attendance. Ken was at the meeting last month at Central Office. Under item 1b it should be deleted “on line” because Mrs. O’Hara was here and not “on-line” and Ken was here so all of Ken’s “no’s” should be “yes”.

Laura made a motion to amend those minutes from December 22, 2024 with corrections as discussed.

Rebecca, seconded and approved.

Item #4 – Review of 2026 Budget

Dr. Conway shared screens showing budget previously presented. Changes between version 6.0 and version 7.0 showing changes that were shared at the recent COW meeting. Shared a slide just showing the differences between the two budgets.

The first slide is where we left off with the 0.06% which is a \$12,206 increase. This slide represents the additional outplaced student – the cost of the outplacement for that student. And then this slide represents the additional cost of the student plus what we learned this past Friday – due to the underfunding of excess cost which we’ve talked about year-over-year and the additional cost per districts for special education services – that pot of money gets thinner. Last year we received a 71-72% of the actual funding we should have received.

We were notified this past Friday that this has now been reduced to about 60% because no more money has been put into it and no there was not enough there to begin with. Short by about \$241,000,000 at

the moment. We will see what happens between now and the first week of June. For now we have to budget for the lower amount.

Ken – asks where is that 29%

Dr. Conway – Excess cost is never funded at 100% and to compound that, the number they received from the State of CT was a wrong number. They were using an old number with a budget that the State built. So each of the two years, every district has been underfunded for excess cost.

So for 2025-206 we have to budget for that lower number.

Jim – What is the delta between what you were told and what we got

Dr. Conway - \$189,000

Robbie – last year we received \$771,000. With the email that came out last week, we are looking at about \$688,000 so there is a Delta of about \$83K.

Jim - So that \$189K is the extra student plus the differential in the excess cost grant.

Ken – In last meeting, you said that there were a substantial fewer number of students this year than next year.

Dr. Conway – there is

Robbie – This year we budgeted for 32, we're at 26 right now. For this coming budget we are budgeting 19.

Dr. Conway – for our last budget we had budgeted 18 but since then we got another student. It's just a point in time. Anything can happen tomorrow in terms of additional students coming into district. The difference between 18 and 26 is greater than what we traditionally year-over-year reduce by bringing kids back into district. We were budgeting for an 8-student decrease, but for the last 3 years it has been about 5. So in these slides in front of you, we are budgeting for the additional student plus the reduction in the excess cost – and what we are trying to demonstrate is the current scenario with a .93% increase budgeting for one additional, two additional or three additional students which may come into district by the start of the School year. It's an unknown. By budgeting for those 3, It brings us more in line with what we have seen historically for the last 3 years in terms of the reduction.

We are a transient district, it's a point in time. We have seen 8 go to 7 in a week and a half. It could go back to 5 by the start of the school year. We just don't know.

Ken – Is that just for one year? It's different every year?

Dr. Conway – Yes, it's based upon prior years and how much money does the State have in relation to that grant. Just over the last three years, the cost has gone from \$92K per student on average for outplaced students to \$151K per student. We're asking the State to cap that. Massachusetts has asked providers to cap costs.

Ken – How can we see that in the budget?

Robbie – You would not. The average cost we anticipate our outplaced providers to charge us is anywhere from 3 to 7%. We have facilities that have gone to 10% and our largest 14%. So our average cost has gone up significantly. The cost we KNOW as of today, we are looking at about \$151K. When we look at the number of kids placed and where they are going, we calculate an average. When we are getting ready to place a student, we assume they are going to one of the providers we take the number for tuition, transportation, summer school, extended school year transportation. That number can come in at around \$118K which is what we anticipate, but as an example of the student last week, it came in at \$151K.

Ken – it would be good if we could see that in the budget

Dr. Conway – we have it in an email which I could share

Ken – how can they be allowed to go up so much?

Dr. Conway – we don't have that regulation here in CT. There is no cap on it.

Ken – do they talk about that at ACES Laura? How much did they go up?

Laura – they went up about 2-3% and I gave that information to Robbie.

Ken – is that what you expected?

Robbie – ACES is par for the course – 3-5%. If you take all the ACES facilities, the average was just over 5%. Just to give you some perspective – we have students that cost us \$100K and students that cost us \$318K. We don't know which facility they will get placed in. We have students ranging all over the place – a large variance between the lower and higher. It raises the average.

Jim Gildea – I think this is important to share with the Tax Board. Dr. Conway is there any of the work you do with CAPSS – any discussion to get a legislator to submit a bill similar to Massachusetts.

Dr. Conway – It's being looked at now. We've met with 15 to 20 and there is brand new select Committee of legislators called the Select Committee on Special Education. It is a select committee to look at a specific area or focused topic. They can hold public hearings they just can't raise their own bill. It would come out of the Education Committee in this particular case. The chairs that were selected for those committees is an actual Special Education teacher – the house chair. The senate chair's mother is a paraeducator in Trumbull. They came into the meetings already having a good idea of the issue is. It was nice to see that. Senator Mooney's press conference just the other day, his topics were Special Education/ECS funding/housing. Everyone that followed him spoke of the same. First year we have seen alignment on the table. But, whether anything comes of it, won't be determined until June.

A number of individual and committee bills have been put forward. We will see what comes of it.

Jim – Jenn is chair up here, Mary's on education committee as well. Did we touch base with her as well?

Dr. Conway – I emailed her. She's aware as are Nicole, Kara and Senator Cabrera.

Ken – But nothing is ever done.

Dr. Conway – Remember those are private providers.

Ken – But that’s kind of ridiculous to allow those increases.

Robbie – What Dr. Conway has on the screen right now, I sent that two weeks ago. The 2025-2026 is actually 19 students right now. What we have as ACES numbers is set but other numbers could be higher or lower. If we had 10 kids in 2024 but now we have fewer kids at higher cost, it could shoot up that average.

Dr. Conway – every district is in the same boat. It is the most unpredictable number. If we budgeted for \$119K and three contracts come in at \$345K, it will eat up some of that savings.

Jim Gildea – my guess is that we are going to get some relief in the Educational Budget Grant. My guess is that we are going to get more than \$64K. The challenge is that we have to give the City a budget months before we know what relief we are going to get from the ECS grant. They are asking for a budget way too soon in the process.

Dr. Conway – I agree because aside from the excess cost no district today even has their ECS regular dollars from the State. They are calling it a “pre-estimate”. We won’t know what that number is until the first week of June. We’ll have predictions all along but we won’t have the number and it’s already lower today than what we were given two months ago.

Jim Gildea – I think Ansonia gets it. They submit their budget months later. I get it’s the charter but I think we need to speak to the City that it is not feasible to give them budget estimates this early. I think we’re going to get more funding and get a better idea of where the ECS grant is and we don’t know what is going to happen with Special Education over the next two months.

Ken – Will they keep the special education part of the budget open-ended?

Jim – I’ll do whatever the committee wants to do but at the end of the day I don’t think it makes sense to submit a budget and vote on a budget next week. The tax board did not even start deliberating last year until March. To submit a budget on January 22nd is not wise practice in my opinion.

Laura – I agree we should try to wait until end of March which makes more sense.

Dr. Conway – Does it make sense in the motion then, to follow the Charter which requires us to submit by Feb 1st, do we word the motion with some conditions? Knowing that this number is a fluid number.

Jim – I don’t really care if we make the date of Feb 1st. I don’t feel the need to send over a fake budget and say “this may be subject to change”.

Robbie – We are on budget 7.0 as I start this budget in October. This is really a rolling budget. We are rolling until we get a final approval. Until we send to the City it is constantly updated. I will continue to update on my end until we have to submit it to the City. Everything is so fluid, just because it gets approved or sent to the City, I still continue to update it.

Jim - I agree but anything we submit to the City, Brian Hall is going to start to work with it and draft a budget for City of Derby. I think we should consider respectfully letting the City know that we are submitting in late March 20 after our BOE meeting. It’s only 5 weeks past the deadline.

Ken - what is the date that the City votes on the budget?

Jim – Last year they did not even vote on it until May.

Dr. Conway – Five years ago it was March 1st. Last time they did a charter revision it was changed to February 1. This particular slide gives you scenario should you want to budget for the additional students – more in line with what we have had.

Ken – This is the same discussion year after year after year.

Robbie – Another business manager that I speak with frequently told me that 3 days before the start of his school year in 2022/23, he was told that a family with 5 SPED students was moving into his district. It was a \$700K hit to his budget.

Dr. Conway - This same conversation is being had across all municipalities across the State. It is backwards but the State has not corrected it.

Ken – The only thing that they have done for us to help us out is that account, the non-lapsing

Dr. Conway – It will appear that we will have some funds. We will factor those variables in and have a more realistic number. You will have data to look at. It will be an estimate obviously but it will be a better number.

Jim – I think we are all stewards of our taxpayer money. I think the most responsible way to do that is not make decisions on January 15.

Dr. Conway – Meeting with State Dept. of Ed yesterday - Back in 2021 was first occurrence where priority school district funding was reduced because the number of families in Derby applying for TFA (temporary financial assistance) put us at position 12, but you have to be in the top 11 to get the full funds. They take a portion of the funds each year for 3 years. What that meant for Derby in the 11th hour (getting the info in August) was to do away with preschool transportation. That was only way we could reduce the budget for that year getting the info in August.

Between April and May, we asked the State Dept. of Ed to see if we qualify. We got an answer in late May that we may or may not qualify but if you do not qualify there would be reduction of \$283 out of the \$816K. Reached out to the commissioner in June and we were still unsure. The commissioner gave us a separate grant out of ARP Essers of \$200K and we utilized that \$200K in our grant budgets. When everything finally passed, they did not reduce our priority school district funding by the \$283K. We had to find out if that information was correct because we had not gotten anything in writing.

A week ago, Mark was looking at the e-grants and realized that priority funding was reduced by \$283K. I immediately called them and within 24 hours they put the money back in. They found the error after I brought it to their attention. They fixed it but they said we still need to talk about that \$283K. Got on a zoom with them yesterday and explained that this money is already encumbered - funds go to paras and teachers in our learning centers so that they don't have to be outplaced at a higher cost. Their position yesterday, initially, was how could you reduce your budget? I responded with "we are already half way through the school year. Programs have been running for months. That money is already spent."

With the new administration, we are anticipating cuts to Title 1. We are a district that receives a significant amount in Title 1 funding grants (Title 1, 2, 3, 4). It's a wait and see. Majority is going to

special education programs that we brought back into district over the last couple of years. They may look to special education funds to offset that \$283K.

We increased our pre-K due to the change in start date for students who had to stay in the program a year longer once the age limits were change. We were able to do it with priority school district funding. The majority of students in pre-K are special ed students coming thru the birth to 3 program. Shared all that with them yesterday and we will see where it goes. I hope to hear something in the next 72 hours to understand what their next step is. I have a document ready to go to them.

Jim – I think it is irresponsible to submit budget now – the longer we wait, the better for us and for the City. Even our Feb COW meeting is just a few days after the due date.

Dr. Conway – I can reach back out to Brian about the February 1 after this meeting and see where the City is.

R. O’Hara – We were supposed to meet about this budget on the 23rd at 1 PM.

Ken – I wonder if Brian Hall can make that meeting.

Jim – I think having Brian attend is a great idea. The excess cost grant went from \$72K to what?

Dr. Conway – estimate now is \$64K would be highest . . . we would be in that bracket

R. O’Hara – we will see if Brian wants to come see us on the 23rd. They have to give us permission, correct?

Dr. Conway – I 100% agree it is too early because it is too fluid.

R. O’Hara – okay will meet at 1:00 on the 23rd

Ken - I make a motion to adjourn

Laura – I second that motion

Rebecca – Meeting adjourned.