



Bryan R. Hall, Chairman
East Hartford Board of Education

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December 20, 2016

Honorable Mayor Marcia A. Leclerc
 740 Main Street
 East Hartford, CT 06108

Dear Mayor Leclerc,

Please accept the following transmittal of the East Hartford Board of Education’s Proposed Budget for FY 2017-18. The Board’s proposed budget nets out at **\$90,436,419**. In alignment with our developing EH2020 vision, this budget was crafted to both promote *Schools that are the Pride of our Community* as well as strategically deliver a high quality learning experience for *Every Child, Every Day*. Developed in response to the current economic constraints facing our state and town, the Board’s proposed budget responsibly invests municipal funds as well as state, federal and foundation grants to promote student achievement. While my proposed budget nets out at **\$90,436,419** (\$1.1 million/1.3% over the current year adopted budget), please note that this reflects only required increases solely for the budget drivers of employee health benefits (\$500,000) and Other Post-Employment Benefits (\$670,000). While several other contextual factors created necessary increases to specific accounts, these increases were absorbed in a zero-based budget in accordance with the direction set forth by your office earlier this year. We would like to commend both the town’s and board’s financial management teams who have worked collaboratively to develop a funding plan that preserved our insurance reserves while addressing the required aforementioned costs of health benefits and insurances.

After a series of budget workshops, one of which was a joint meeting with Town Council, we deliberated on the merits of each program’s funding and the importance of retaining critical services where possible. The following chart provides a brief explanation of several contextual factors that are important parts of achieving our current proposal. In the weeks ahead, we look forward to continuing to communicate with you as we work to make this budget transparent and understandable. We sincerely appreciate your leadership as our Mayor and your support for our kids. Thank you for your attention to communication, collaboration and focus on finding solutions despite challenging financial times.

Budget Context Factor	Work to Date
Transportation Contract Costs	<p>For the FY 2017-2018 School Year, our current student transportation contracts with Dattco, Inc. and Access Transportation represent over 4% of our district budget. At this time, both contracts are in negotiation, with a Board decision expected at the end of December. Based on this timeline, proposed contractual increases have been built into the student transportation costs for FY 2017-18.</p> <ul style="list-style-type: none"> • Access Transportation: Following approval by our Finance and Audit Committee, we will present to the full Board a five-year contract extension with zero percent increases in the first two years and three percent increases in each of the last three years. Access Transportation has served the district admirably since 1982 and has been very reasonable with costs. • Dattco, Inc.: In similar fashion, we have negotiated a preliminary contract proposal of 3.5% in each of the next five years. In this model, we will be working with the town to pre-pay bus costs for the entire year each July. In addition, Dattco, Inc. will be introducing two propane fueled Type I Buses into our fleet. We are excited that Dattco, Inc. is moving full

	scale bus operations to Burnham Street this December and will become a strong member of our East Hartford business community.	
Special Education Costs	The district continues to experience an increase in the number of special needs students being identified in the early grades. As a result of these increased numbers, it will be necessary for the district to open up an additional Special Education Autism room at a school to be named to service our students. The current proposed budget provides the funding to add (1.0) FTE teacher.	
	As special education needs in the district continue to expand, our required district summer school needs to grow. The proposed budget includes funding for the mandated special education summer school program that can no longer be fully supported through the state IDEA Grant. These mandated expenditures have been recognized in the FY17-18 Budget with a \$209,000 increase.	
Debt Service Payments	As a budget mitigation strategy, EHPS has committed in this proposal to pre-paying reoccurring debt service requirements as in previous years. The Johnson Control Energy Conservation project represents a decade old joint town and board initiative to install energy efficient systems across district schools. This obligation continues through FY2025-2026.	
Magnet Tuition Costs	Despite assurances from state officials, we are concerned regarding the status of the funding which we received through legislation known as the 7% Magnet School Tuition Cap. Despite these concerns, we have accounted for the current language and reduced the overall cost of magnet school tuitions by \$915,000. In addition, as in previous years, we plan to use \$887,000 from the state Alliance Grant to help contain tuition costs. We will continue to monitor this factor throughout the state budget process.	
State Grants/Impact on General Operating Budget	As a district with 24% of the budget being funded through a collection of federal, state and philanthropic grants, maintaining these revenues is vital to continue current services. With the challenge of the current state fiscal crisis, we are very concerned about the status of these grants as we project our district budget for next year.	
	While we project our grants could be reduced by as much as 10%, we will be watching and participating in the state budget process throughout the long legislative session in an effort to advocate for necessary resources. We are speculating about the pending Supreme Court CCJEF decision, and how it will impact lawmaker decision-making throughout this legislative session.	
Necessary FTE (Full Time Equivalent) Reductions	In order to close the proposed budget gap positions, the following FTE reductions were necessary in this budget. As always, these reductions were identified in alignment with our strategic plan in a desire to minimize the loss of services for children.	
	Position	Rationale
	(2.0) FTE Elementary Classroom Teachers	Due to decreased enrollment projections, we believe these reductions are achievable. (Expected to be achieved through attrition.)
	(1.0) FTE Science Teacher from Woodland School	By reducing the science position, we realign programming at Woodland school with other subject areas as we adhere to our core program focus. (Currently achieved through attrition.)
	(0.6) FTE Instrumental Teacher at Sunset Ridge	As Sunset Ridge transitions from being an Arts and World Language School to an International Baccalaureate (IB) School, the current staffing profile provides this opportunity for reduction.
	(2.0) FTE's General Business Teachers at EHHS	By redesigning the EHHS Career Technical Education Department to focus on the themes of the CNA Program, the Academy of Finance and our Culinary Program, this restructure provides these opportunities for reduction.

Budget Reorganization	Throughout this budget proposal, you will notice funding is moved within accounts to reflect current actuals without significant changes to the net program account. In addition it should be noted that we have moved (9.0) FTE Core Subject Teachers (English, Math, Science and Social Studies) into the English as a Second Language Program to better reflect our desire to program to meet the needs of English Language Learner students.
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We look forward to working with you and the Town Council in the budget process as we continue to work hard on behalf of our children and families in East Hartford.

Sincerely,



Bryan R. Hall
Chairman
East Hartford Board of Education

cc: Town Council Members
Board of Education Members
Nathan Quesnel, Superintendent of Schools

Attachment