

MINUTES OF FISCAL
COMMITTEE MEETING
OF THE BOARD OF EDUCATION
Stamford, Connecticut
February 22, 2010

The Fiscal Committee Meeting of the Board of Education was held on February 22, 2010 at the Government Center, 888 Washington Boulevard. The meeting was called to order at 5:09 p.m. by Mr. Pia, Chairperson, with the following Committee members present: Mrs. Heftman, Mr. King, Mr. Pia, and Dr. Rauh. Absent: Mr. Limone. Also in attendance: Ms. Lahiri-Hoherchak (6:00 p.m.), Ms. Olson (5:15 pm), Ms. Wade (5:19 pm), Dr. Starr, Dr. Hamilton, Ms. Karwan, Ms. Gagne (5:20 pm), Ms. Murphy, Ms. Arnold, Ms. Siladi, Ms. Bang (5:20 pm), 3 representatives from the SEA, Mr. Rinaldi, representative from the Advocate, and approximately 8 guests.

Mr. Pia noted that the purpose of the meeting is to complete the review of the 2010-2011 Operating Budget and any cuts that Board members would like to bring up before Thursday now is the time to bring up those cuts. Mr. Flynn, the new Director of Administration for the City of Stamford, met with Fiscal Committee members Mr. Pia, Mrs. Heftman, and Dr. Rauh last week and with Dr. Starr and Mr. Murphy this morning to review state of the City information which Dr. Starr will review. Mr. Flynn will not be attending tonight's meeting.

Dr. Starr distributed a copy of the "draft" Budget Environment/Overview meeting. The City is asking for \$1.1M give back from the 2009-2010 Operating Budget and is recommending that the most the City of Stamford can afford to fund to the Board of Education next year is \$214M which is below what it currently provides. The City has asked that the Board of Education present two scenarios showing a 5% cut and 10% cut. Dr. Starr indicated that there is still about \$500,000 in pension contributions which need to be added to the budget, but which have not been confirmed yet by the City of Stamford.

Dr. Starr also distributed a copy of a Wall Street Journal article that Mr. Flynn had given to him entitled "Fiscal Woes Push Up Class Size" which indicates that larger class sizes are occurring in other states due to budget cuts.

Dr. Starr's response to the request for the \$1.1M give back to the City was that this year we gave back \$344,000 this year and part of that was related to dire predictions last year. The City ended up with a \$1.5M surplus and we asked for the \$344,000 back for a Special Education contingency fund which was denied. The Board of Education has given money back to the City every year for the last five years. The City needs to prove to the Board of Education that this is a real number. Mrs. Heftman and Mr. Pia will draft a letter to the City requesting this information.

Discussion followed regarding State law concerning Minimum Budget Requirements which states that the City cannot fund the Board of Education at a lower rate than the previous year without incurring a monetary penalty. Mr. Murphy provided a document with information on the Minimum Budget Requirement (MBR), State Public Act 09-6. Penalties would come out of the ECS grant. Dr. Starr also indicated that the City would have to show how they have come up with the \$214M in order for the Board to understand. Dr. Starr asked Board members to forward any questions such as enrollment, recourses if the City proceeds with the \$214M, etc. and his staff will do the same.

Mr. Pia indicated that this is all brand new as of last week and previously the discussion had been about a 1.4% increase over the current budget. Dr. Starr noted that there would have to be a binding agreement on give backs so that if the BOE gave back money and the City then posts a surplus, the monies given back by the BOE would be returned. Mr. Pia stated that the Board agrees with Dr. Starr that someone from the City is going to have to prove there is a problem. Mrs. Heftman noted that we are already in a freeze situation because of reduced funding from the State which we have imposed on ourselves to the tune of almost \$500,000. Mrs. Heftman stated that the Board has to adopt a budget that is in the best interest of the students and staff in the Stamford Public Schools. What the City does, the City does. The Board will exercise its responsibility and we can't lose sight of our responsibilities to our clients. Dr. Rauh recommended going in fiscally tighter with our budget and Mrs. Heftman asked Dr. Starr and his staff to work on scenarios for the \$1.1M give back. Dr. Starr indicated that we could freeze funds and, if we decide not to give the money back, then we can spend it later.

There was discussion on the \$214M Operating Budget and Mr. Pia noted that there would be items brought up this evening for discussion and on Thursday we will finalize the 2010-2011 Operating Budget. Dr. Starr summarized the possible options that the Fiscal Committee has as follows:

1. Fiscal Committee just votes to approve the 1.96% increase;
2. Don't like 1.96% and want to see 1.5%, 1.2%, etc.; and
3. Here are some ideas to cut back the 1.96% increase.

The Fiscal Committee would have to let Dr. Starr know if they are comfortable with the 1.96% increase and, if not, then Dr. Starr and staff would have to cut back to the number the Committee feels comfortable with. Mrs. Heftman recommended

removing raises from the budget for anybody we have control over and that is all she would like to do. This would amount to about \$25,000. Mr. King recommended holding at the 1.96% request and Dr. Rauh thought there were areas that we can tighten and that we need to go to the other Boards with a strong case. Mr. Murphy reported that an additional \$500,000 might need to be added for pension and OPEB for next year. The City may be changing to a 30 year amortization from the current 20 year amortization which could change the number by \$175,000 if the Board of Representatives approves. The Fiscal Committee decided not to do a 5% and 10% scenario since the other Boards are already looking at \$214M budget which would be below a 5% and 10% scenario. Dr. Starr indicated that he would be working on scenarios for a \$217M budget and whatever budget the Board of Education approves. Dr. Rauh recommended showing the other Boards what the austerity it will give up in education in Stamford by showing them a \$217M scenario vs. a \$224M scenario and we will then open it up to give them the option to just do the cuts without any real conscious since they don't have the knowledge of what it really means.

Dr. Starr noted that his 1.96% increase is not a solid request since there are some unknowns. If we cut back to a 1.5% increase the allocation may not hold pending the unknowns. He recommended that we go forward with the 1.96% and keep a list of potential cuts and build that into the scenario and build it in to the \$217M. We should set up 2-3 meetings between now and March 18th to discuss the scenarios to get down to \$217M.

Mrs. Heftman asked for an explanation of why the salary levels were different on the pink sheets in the budget book as opposed to the information distributed in the Board package. Mr. Murphy responded that there was a reduction in 2009-2010 that was factored into the budget. The difference between actual and what is in the budget book is based on the give back along with some grant funded portions. Mrs. Heftman noted that all of the salaries on the pink sheets should be gross and not net otherwise it looks like people are getting substantial raises and have the credit noted. Mr. Murphy will make the adjustment to the 2009-2010 numbers.

Mrs. Heftman called for a 5 minute break.

The Committee returned to order at 6:55 pm.

Mrs. Heftman moved, seconded by Dr. Rauh to recommend the removal of the discretionary employee raises.

The motion passed with the following Committee members voting in favor: Mrs. Heftman, Mr. King, Mr. Pia, and Dr. Rauh.

There was further discussion and questions on various salary accounts pertaining to vacancies listed and what the effect would be if these positions were removed. Para-educator positions were also discussed along with the Special Education – Other Professional and Technical Services account. The Equipment

account for Facilities was discussed regarding transfers from this account to pay custodians. Dr. Rauh indicated she would propose a cut to the Equipment account.

The Superintendent will develop scenarios for a cut to the BOE budget from \$223M to \$217M for presentation to the Board of Finance on March 18th. Fiscal Committee will meet to review those scenarios and make a recommendation to the full Board. Mrs. Heftman and Mr. Pia will write a letter to the Board of Finance explaining why we are not presenting scenarios around their requested 5% and 10% reductions.

Mr. King moved, seconded by Mrs. Heftman to adjourn the meeting at 7:23 p.m. with the following Committee members voting in favor: Mrs. Heftman, Mr. King, Mr. Pia, and Dr. Rauh.

Joshua P. Starr, Ed.D.
Superintendent of Schools
Executive Officer