

**BUDGET FISCAL ANALYSIS TASK FORCE**  
**Meeting Notes**  
**February 22, 2010**

**A. Call to Order:** The meeting was opened at 5:10 PM. Present were Task Force members Tim Sullivan and Yvon Alexandre. Also present were David Panagore, COO, Council members Jim Boucher and Larry Deutsch, Superintendent Steven Adamowsky, Paula Altieri, Finance Director, and other members of the Hartford Public Schools staff, School Board Members Ada Miranda, David McDonald and Pam Richmond, members of the public Hyacinth Yennie, Anton Rick-Ossen, and Vinnie Carbone, and Linda Bayer, scribe. Tim Sullivan chaired the meeting.

Everyone introduced themselves and Chairman Sullivan explained the purpose of the Task Force. He indicated that the members are looking a big-ticket systemic items that must be dealt with, such as pensions. Ada Miranda, Chair of the Hartford Board of Education welcomed everyone and noted that education is the future of any city and the Board is therefore very protective of the education of Hartford's children.

**B. Minutes:** Action on the Feb. 8<sup>th</sup> minutes was postponed to the next meeting.

**C. Hartford Public Schools – Presentation and Discussion:** Superintendent Steven Adamowski and Finance Director Paula Altieri made a presentation on the Hartford Public Schools' financial forecast and deficit mitigation strategies. A handout was distributed. Supt. Adamowski and Ms. Altieri highlighted the following issues and information.

The Board began the current reform strategy in fiscal year 2006-07. Achievement gains were highlighted. Financial stability is so important to reform. 70% of the school system's revenues come from the State and 30% from the City. Due to the economic downturn, revenues are flat and the business model must change to adjust to that.

High performing schools have autonomy. They control their personnel, budget, and operations. Schools that are below proficiency do not have autonomy and are under district control. Funding is allocated through the student-based budgeting model, i.e. the money follows the child. Each child is "weighted" based on his or her grade and his or her needs, i.e. achievement level, English language learning, and special education. The budget of the school is based upon the enrollment and the funding assigned to each student.

Enrollment has remained stable in the Hartford School System at about 25,000 students. Revenue from the State is approximately \$11,000 per student annually. The expenditure level is now at \$13,600 per year per student. This figure can be compared to \$16,000 in Fairfield County and \$12,000 in eastern Connecticut.

Transportation costs are a big part of the budget. Changes were made last year to reduce the number of students who are bused and about half of high school students are given CT Transit bus passes. HPS proposed to CT Transit that six new bus routes be added to accommodate additional students, but school transportation is not within CT Transit's allowable activities. It was noted that the contract with the school bus provider is subject to the City's Living Wage ordinance. The operator must pay the living wage and, if that rate increases, must increase the drivers' pay. The contract allows the operator to bill HPS for 40% of any such increase. The requirement that school buses meet the 2008 diesel emissions requirements also increased the cost of transportation. Together, that figure is \$3 to \$5 million per year.

With regard to health benefits, the cost is approximately \$79 million. Employees and retirees pay approximately \$26 million, so the net cost to HPS is \$53 million. The union contracts contain the option for Health Savings Accounts to be created, but it was noted that, typically, healthier employees choose the HSAs and their removal from the other pool affects the experience rating and that, in turn, drives up the premium.

In the discussion of pensions, it was noted that the teachers are part of the State retirement system and there is no cost to the City for that program. The remainder of employees result in a contribution of about \$4.7 million to the MERF. In response to a question, it was explained that employees can retire with 25 years of service at age 55 or a combination that adds up to 80.

Supt. Adamowski reviewed the figures presently being used for the 2010-11 budget. He noted that they are preliminary and will change. Currently, the difference between the 2009-10 adopted budget of \$284.6 million and the projected need budget for next year of \$300.3 million is \$15.7 million or a 5.5% increase. The Board, through its Finance Committee, is working with staff on mitigation strategies to reduce that increase to 2%. Ideas include:

- Flat funding for schools and central services
- Increase in health insurance premium co-share
- Furlough days
- Limit on "living wage" increases to 3%
- Assumption of tuition liability to Sheff schools by the City
- Reduction in non-mandatory programs in schools
- Deferral of MERF contributions for one year.

The Superintendent noted that 80% of the budget is salaries and benefits. He indicated his position that salaries are already low in relation to other cities and towns and in relation to the hard work that must be done in Hartford to reduce the achievement gap and, therefore, freezing salaries is a bad idea. HPS wants to hire and retain the best teachers and the pay must be competitive.

The concept of combining services between the Board and the City was discussed. Currently, MHIS provides technology services to both entities. The City provides the Board with procurement and legal services, construction management and energy savings services, and legislative representation. The Superintendent proposed the following for consideration.

- HPS could take over the branch libraries and locate them in schools.
- HPS could take on all printing for the City and Board.
- The building maintenance functions (repairs, not cleaning) could be combined and done in-house or contracted out.
- The six school health clinics could be operated by the City's Department of Health & Human Services or a third party operator
- HPS's "model staffing plans" can be adopted by the City in governance staffing, finance, and building maintenance

Pam Richmond, Chair of the Finance Committee, concluded the presentation by explaining the actions being taken by the Committee with staff to align the budget with the operating plan and establish milestones. The Task Force Members thanked everyone for the excellent information and for proposing ideas for consideration. Superintendent Adamowski thanked the Task Force for volunteering their time and taking on a hard task.

**D. Public Comment:** The public had asked questions during the meeting and there were no further comments.

**E. Next Steps:** It was determined that the tentative date of the next meeting would have to be changed. Task Force members will communicate to find another date for the next meeting, which will be a working session and, probably, the last meeting. The members will agree on the recommendations to submit to the Council. Although, of course, the public will be welcome to attend, there will not be a public comment period at the next meeting. Linda will add that notation to the agenda.

**F. Adjournment:** The meeting was adjourned at 7:20 PM.

Respectfully submitted,

Linda A. Bayer  
Scribe