

# Hartford Public Schools Budget Overview

Municipal Accountability Review Board  
August 10, 2018



# Presentation Agenda

## Current Context:

- Our Students
  - District Model of Excellence
  - Our Challenge
- 

## Budget:

- Revenue
- Major Expenditures
- Trends



# Our Students

HPS's District Model for Excellence focuses on serving the needs of **each** and **every student.**



**20,142**  
PreK – 12 students

**46** schools  
**26** non-magnet  
**20** magnet




**13** different school  
grade level  
configurations

**76%** Hartford residents  
**24%** non-residents from  
**78** CT towns



non-magnet	magnet
<b>30%</b> Black	<b>31%</b> Black
<b>64%</b> Hispanic	<b>38%</b> Hispanic
<b>3%</b> White	<b>20%</b> White
<b>2%</b> Asian	<b>7%</b> Asian
<b>1%</b> Other	<b>4%</b> Other

**97** languages



<b>58%</b> English
<b>33%</b> Spanish
<b>1%</b> Serbo-Croatian
<b>1%</b> Karen
<b>1%</b> Portuguese
<b>6%</b> of students speak <b>92</b> other languages



**19%** English learners  
**84%** Spanish speakers  
**27%** special education  
**84%** non-magnet

**74%** eligible for free or  
reduced meals




**18%** special education  
**28%** English learners  
**66%** Male

**72%** enrolled in non-magnets  
**9%** in 19 in-district programs  
**12%** in 61 outplacement  
programs

# District Model For Excellence

STRATEGIC PLAN 2018-2022

## MISSION

*Inspire and prepare ALL students to create their own success in and beyond school.*

## VISION

*HPS students will transform their world.*

## DISTRICT PRIORITIES



### Teaching & Learning

Guarantee that students are provided rigorous instruction and social emotional support for the development of skills, knowledge, and voice they need to graduate ready for college.



### Family & Community Partnerships

Guarantee mutually beneficial learning-focused partnerships with families, businesses, government, faith-based partners, higher education, and the community.



### Operational Effectiveness

Guarantee that resources, initiatives and operations minimize redundancies, maximize efficiencies, and support excellent teaching and learning.



### School Culture & Climate

Guarantee that ALL students feel safe and valued at school.

## MAJOR GOALS

1. Increase ELA proficiency in grade 3 at or above grade level 22 percentage points by 2022

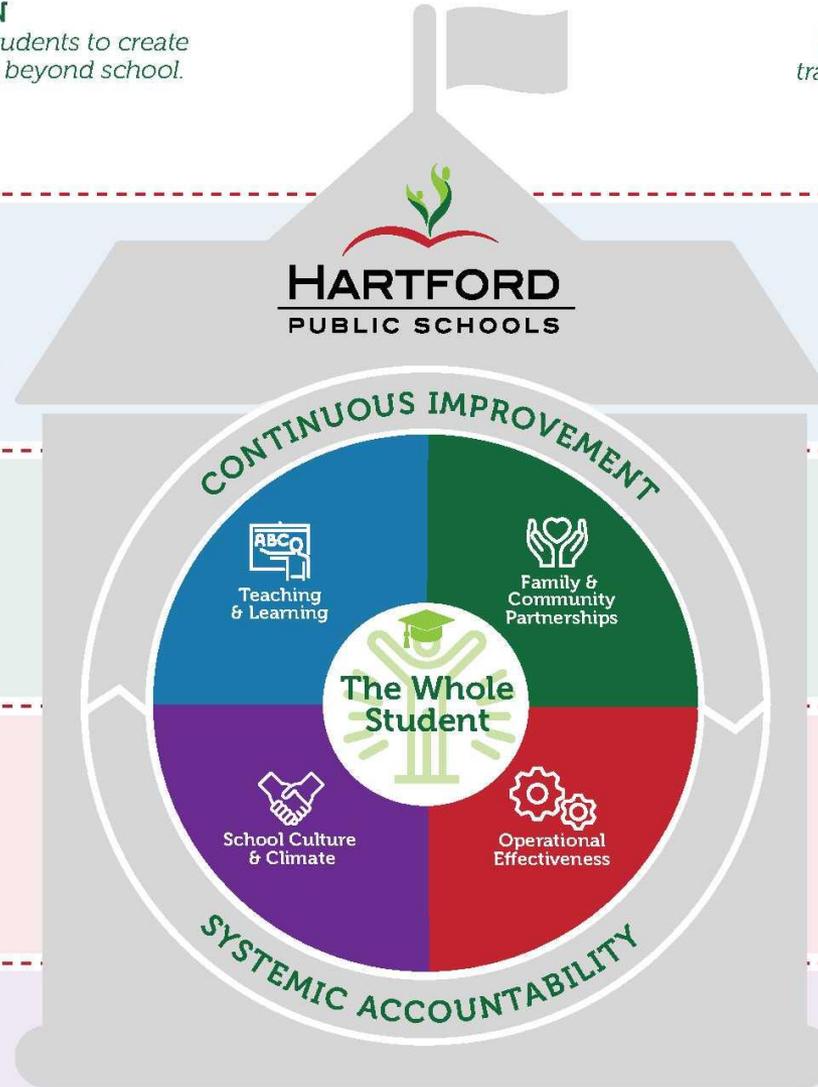
2. Increase graduation rate 9 percentage points by 2022

3. Progressively work towards creating community schools at all school sites by 2022

4. Work towards a balanced and equitable district budget for long-term financial sustainability by 2022

5. Decrease chronic absenteeism 7 percentage points by 2022

6. Increase student perceptions of feeling safe and valued at school by 2022



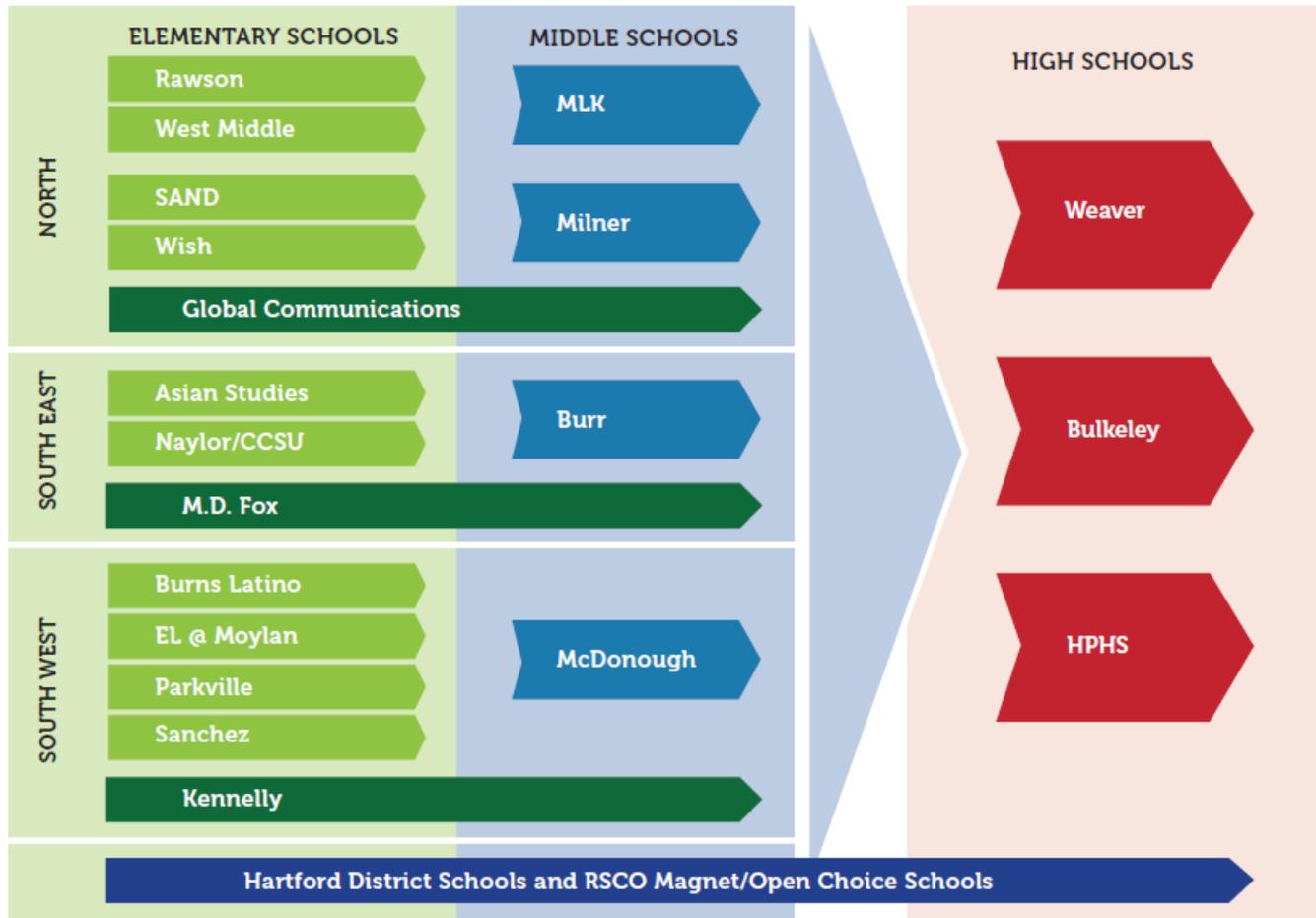
# By 2020, we would have clearer pathways for all students in our neighborhood schools

## Model for

### Non-Negotiables



✓ Pathways



\*Depicts only traditional pathways, does not include New Visions, Opportunity High or High Roads.

Note: Size of shapes is not representative of enrollment of school

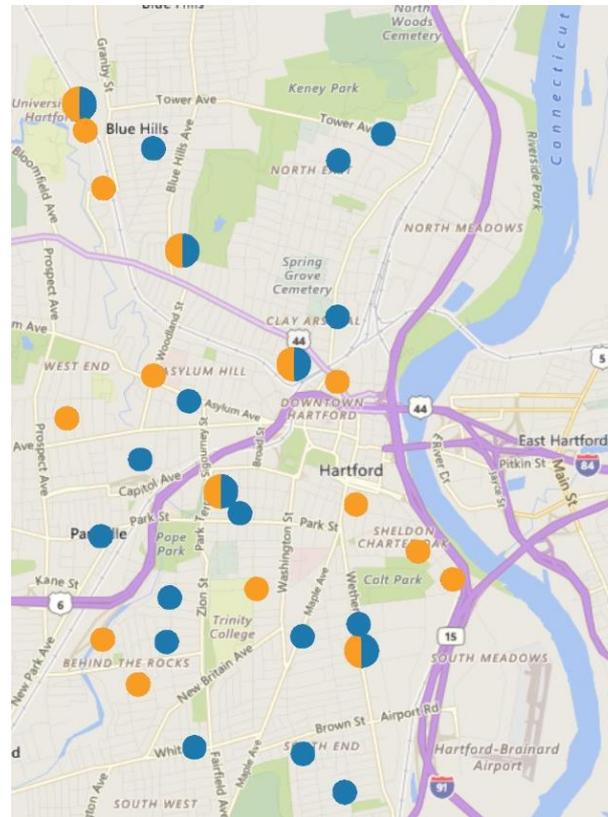
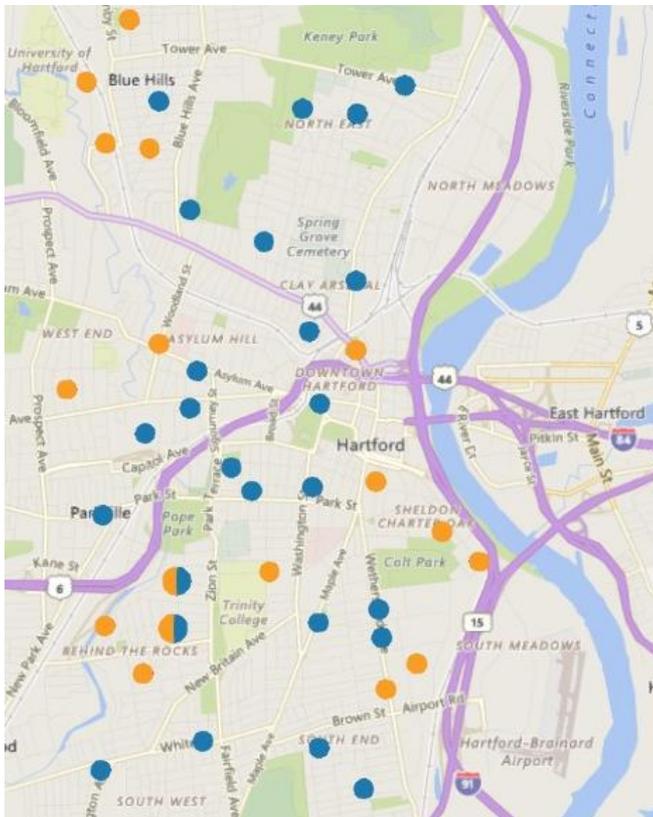
# The biggest reconfiguration changes would take place over the next three years

June 2018	June 2019	June 2020
<ul style="list-style-type: none"> <li>• Breakthrough North reconfigures                             <ul style="list-style-type: none"> <li>• Rawson reconfigures</li> </ul> </li> <li>• MLK reconfigures and relocates                             <ul style="list-style-type: none"> <li>• High School, Inc. relocates</li> <li>• Montessori relocates                                     <ul style="list-style-type: none"> <li>• Batchelder closes</li> </ul> </li> </ul> </li> <li>• Simpson-Waverly closes</li> </ul>	<ul style="list-style-type: none"> <li>• Burns reconfigures                             <ul style="list-style-type: none"> <li>• Wish reconfigures</li> <li>• SAND reconfigures</li> </ul> </li> <li>• Milner reconfigures and relocates                             <ul style="list-style-type: none"> <li>• High School, Inc., JMA, and Kinsella 9-12 relocates                                     <ul style="list-style-type: none"> <li>• CCCMA closes</li> <li>• Culinary closes</li> </ul> </li> </ul> </li> <li>• Weaver Campus Opens</li> <li>• Milner Middle School Building Opens</li> </ul>	<ul style="list-style-type: none"> <li>• Asian Studies reconfigures</li> <li>• Burr reconfigures (Middle School)                             <ul style="list-style-type: none"> <li>• Global reconfigures</li> <li>• Naylor reconfigures</li> </ul> </li> <li>• West Middle reconfigures                             <ul style="list-style-type: none"> <li>• Betances STEM relocates</li> </ul> </li> <li>• Breakthrough North relocates                             <ul style="list-style-type: none"> <li>• Central Office relocates                                     <ul style="list-style-type: none"> <li>• MLK MS relocates</li> </ul> </li> <li>• Pre-K Magnet relocates                                     <ul style="list-style-type: none"> <li>• Renzulli relocates</li> </ul> </li> </ul> </li> <li>• MD Fox offers Dual Language</li> <li>• Pre-K Magnet at Burns Opens</li> <li>• MLK Campus Opens</li> </ul>

# What could HPS look like in 2022?

## Current State

## Model for Excellence



### Legend

-  Magnet
-  Neighborhood

\*Data compares future state HPS to 13-14 data from other Connecticut districts from the comprehensive study  
 Data excludes the two Montessori Magnets that are currently co-located but that are likely to be moved from their current location and Clark which is not currently housing any students.  
 Source: HPS enrollment and facilities data, Oct 1, 2017 snapshot; ERS analysis.

# What could HPS look like in 2022?



**Great Teaching & Learning in Every School**



**Safe & Equitable Access to Great Schools & Pathways**



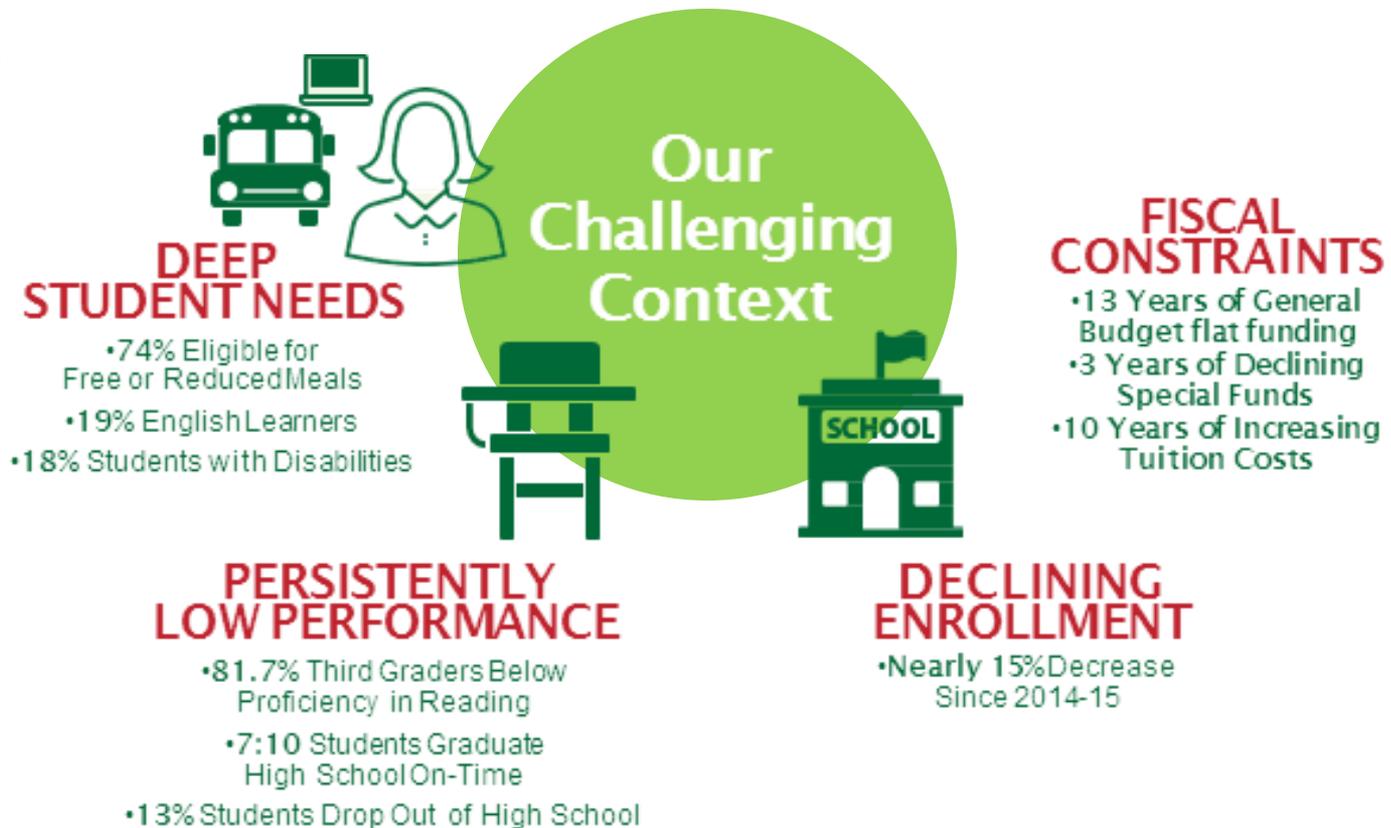
**Expanded Family & Community Partnerships**



**Fiscal Sustainability**

- **Pathways:** Clear pathways from pre-K through 12<sup>th</sup> grade in all neighborhoods
- **Facilities quality:** 1,400 more students in our highest-quality (rated 1 or 2) facilities, No seats in our lowest-rated (level 5) facilities
- **Access to resources:** 5 campuses with co-located magnet and neighborhood schools
- **Middle-grades:** Conditions for a stronger grade 6-8 experience, including transition supports and strategically sized grades
- **Number of schools:** Reduced the number of schools to be more in line with peers
- **Utilization:** 70% of students in schools with greater than 85% utilization
- **\$15M in resources newly available for investments in our students**

# Our Challenging Context



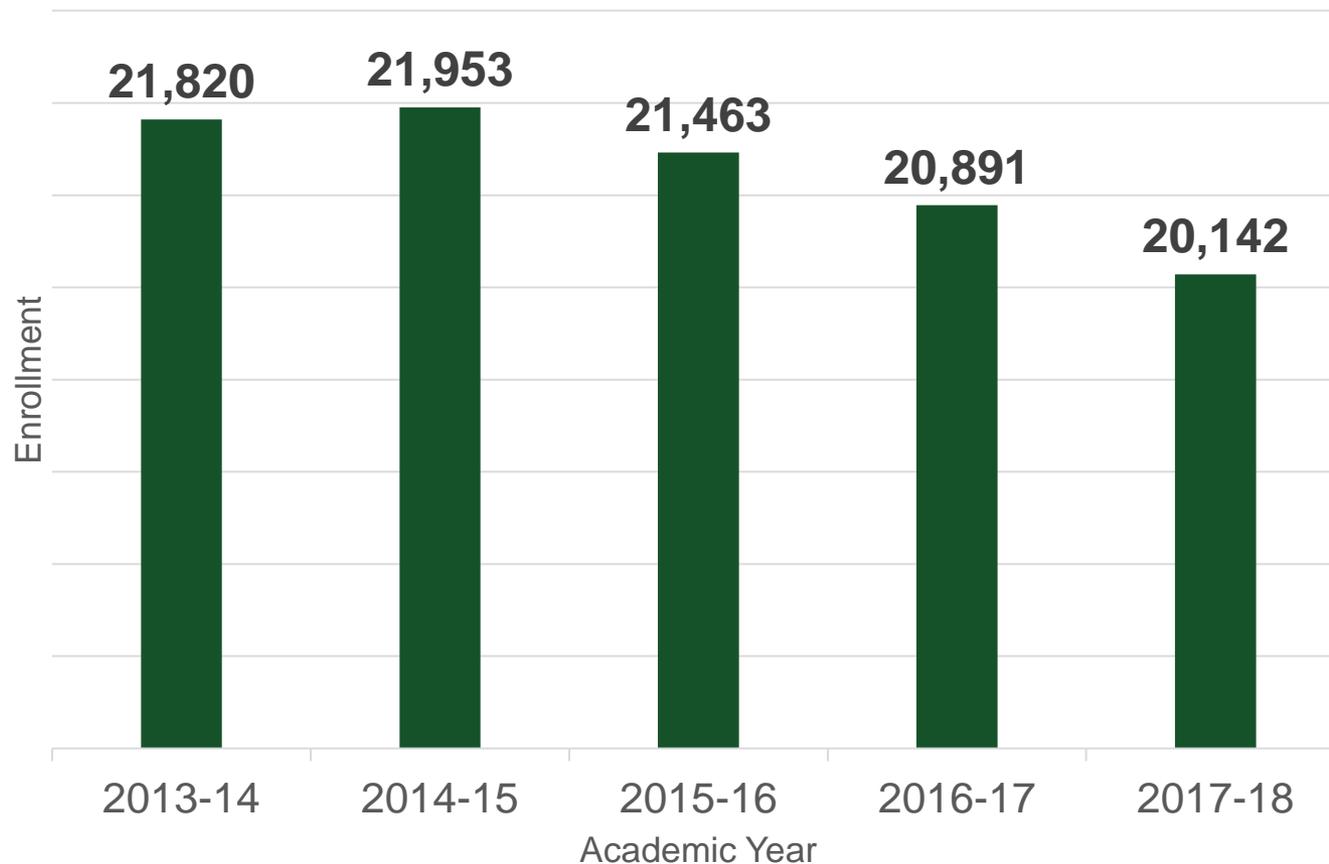
# Compounding Impact

Over the last 5 years, we've mitigated ~\$105M in costs and have eliminated 370 positions across the district

	FY 18-19	FY 17-18	FY 16-17	FY 15-16	FY 14-15	Totals
Budget Mitigation Amounts	\$24.8	\$26.2	\$30.2	\$24.2	\$ -	\$105.4
Position Eliminations:						
Schools	1.7	(57.5)	(215.4)	(65.5)	46.3	(290.4)
Central Office	(22.2)	(28.5)	(20.4)	(12.7)	4.5	(79.3)

# Declining Enrollment

## District Enrollment



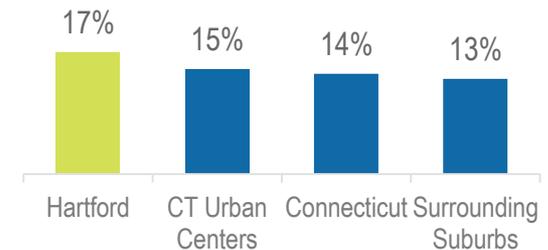
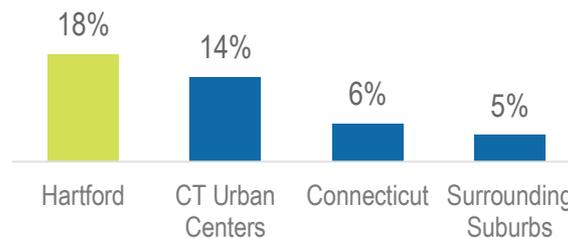
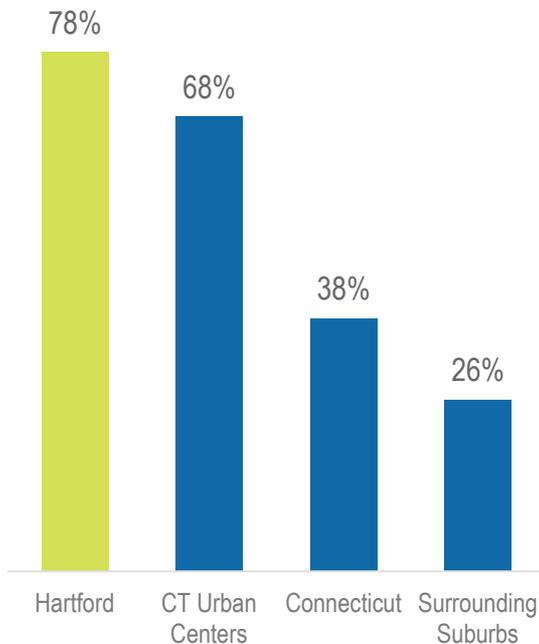
# HPS serves one of the highest-need student populations in the state

## Sub-Group Enrollment as % of Total Enrollment

% Free and Reduced Price Lunch (FRL)

% English Language Learners (ELL)

% Students with Disabilities (SWD)



Surrounding Suburbs: East Hartford, West Hartford, Glastonbury, South Windsor, Farmington, Rocky Hill, Windsor, Bloomfield, Newington, Wethersfield.

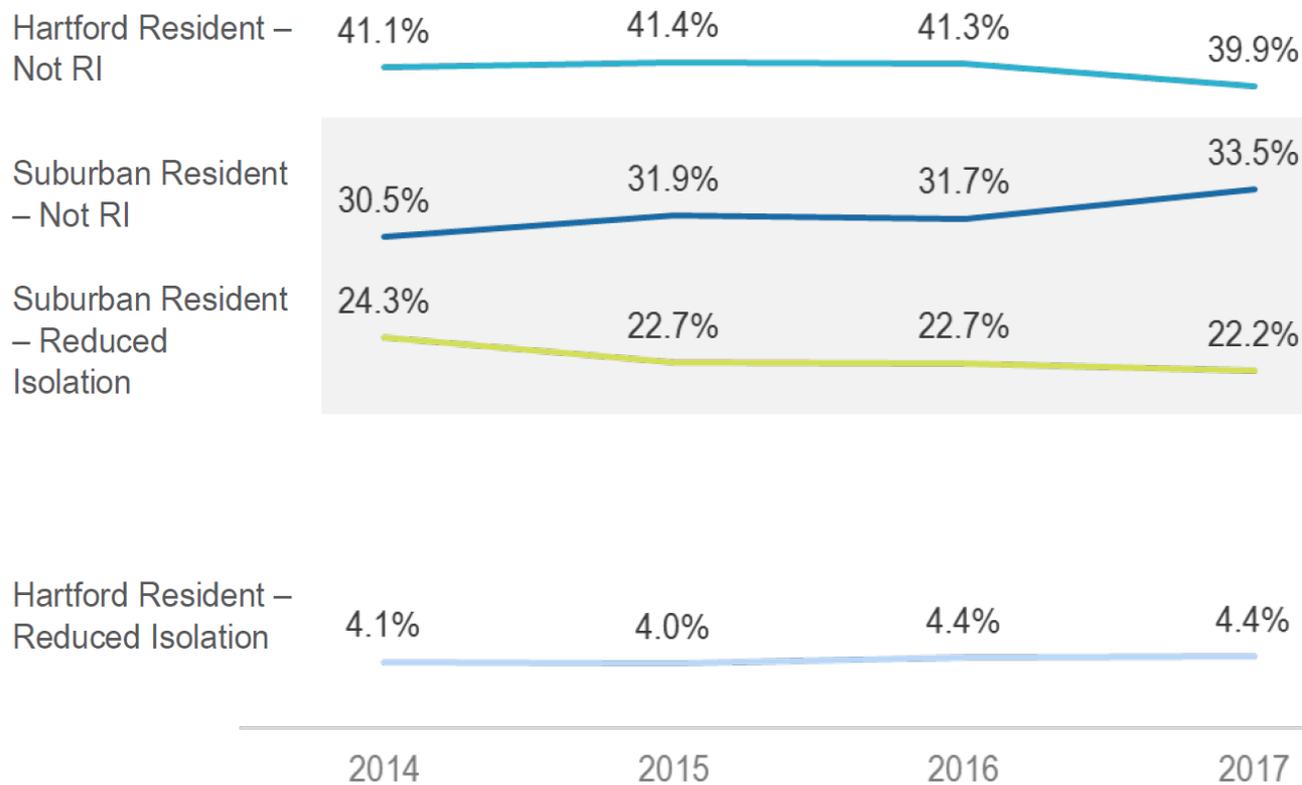
CT Urban Centers: Norwalk, Stamford, New Haven, Waterbury, New Britain, Bridgeport.

Source: Connecticut State Department of Education EdSight; SY1516 Enrollment



# As the proportion of suburban Reduced Isolation students has declined, fewer Hartford students are placed in Magnet schools

### Magnet School Composition of Students by Residence and Reduced Isolation Status



Reduced Isolation students represent a minority and shrinking proportion of Suburban students in Hartford Magnet schools

Note: Excludes Capital Community College Magnet, Great Path Academy, High School Inc, and Journalism and Media Academy  
Source: HPS enrollment and facilities data, Oct 1 snapshots from 2014 to 2017, ERS analysis

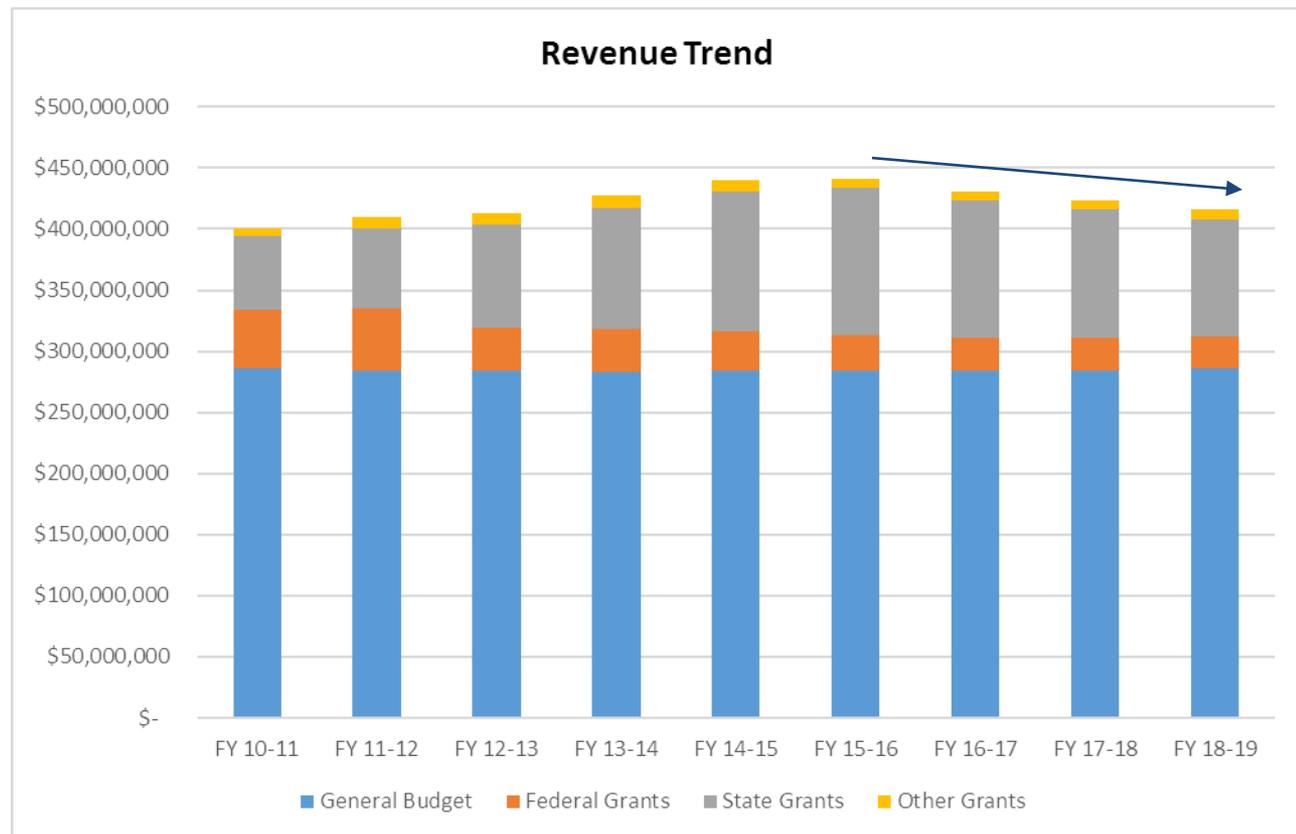
# FY 2018-2019 Revenue Assumptions

	<u>FY 18 Adopted</u>	<u>FY 18 Projected Actual</u>	<u>FY 19 Proposed</u>
BOE Operating Budget	<u>\$ 417,933,487</u>	<u>\$ 423,189,594</u>	<u>\$ 415,799,210</u>
Education Cost Sharing	\$ 187,974,890	\$ 187,974,890	\$ 189,631,727
Local Tax Contribution and Health & Welfare	\$ 96,033,297	\$ 96,033,297	\$ 96,033,297
Grants / Donations	<u>\$ 133,925,300</u>	<u>\$ 139,181,407</u>	<u>\$ 130,134,186</u>
Total Revenue	<u>\$ 417,933,487</u>	<u>\$ 423,189,594</u>	<u>\$ 415,799,210</u>
Revenue Variance from FY 18 Projection			\$ (7,390,384)
% Revenue Variance from FY 18 Projection			-2%

# Financial Trends: Sources of Revenue

**(\$26M) or (6%) Decline in Revenue over the last 4 Years**

- We are essentially at the same level of funding we were 9 years ago.
- Federal grant money has declined 42%.
- State and Private grant money have temporarily offset the Federal grant money decline.



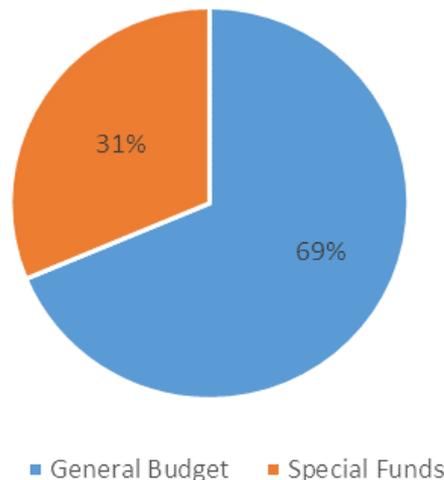
# What Funds are Included in the Education Budget?

2018-2019 Projected All Funds Revenues

General budget is projected to be flat funded for 13 Consecutive years

(FY 10–11 to FY 22-23)

Funds in the Education Budget  
FY 18-19

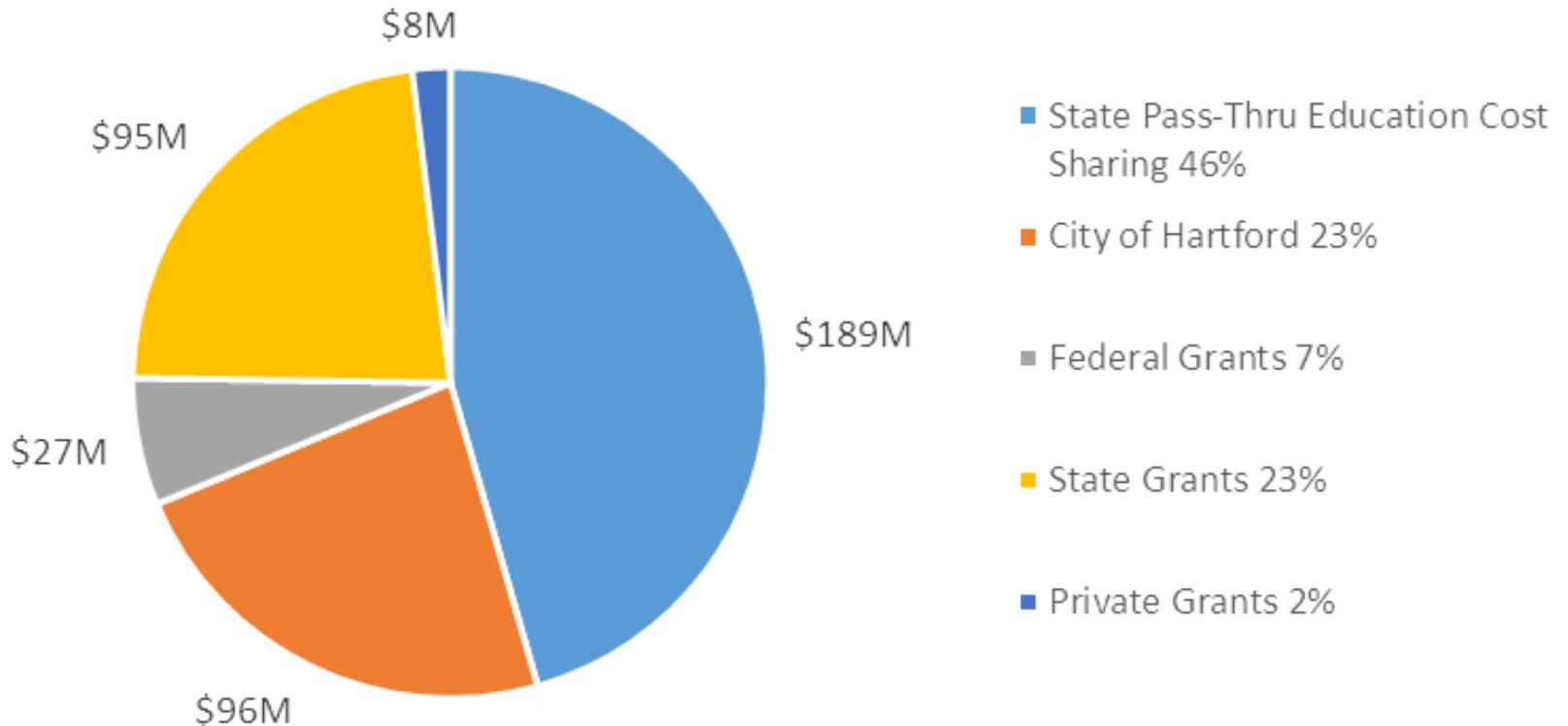


- **General Funds:** intended to finance **core** instructional programs, day-to-day operations to support those programs, and general operations of our school district.
- **Special Funds:** generally restricted use funds and largely **supplemental** in nature. The purpose and use is determined by the provisions of the legislation or directives creating them.

# Where does our funding come from?

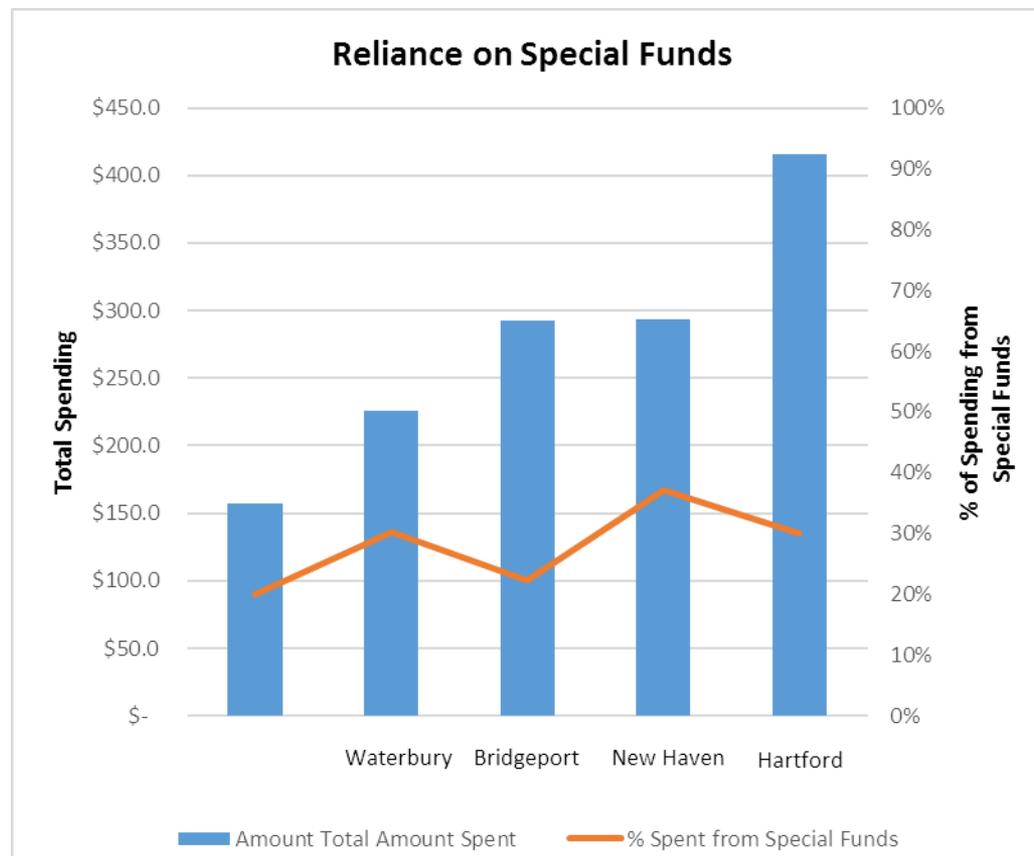
2018-2019 Projected All Funds Revenues

## Details of the Fund Revenue



# Special Funds Reliance

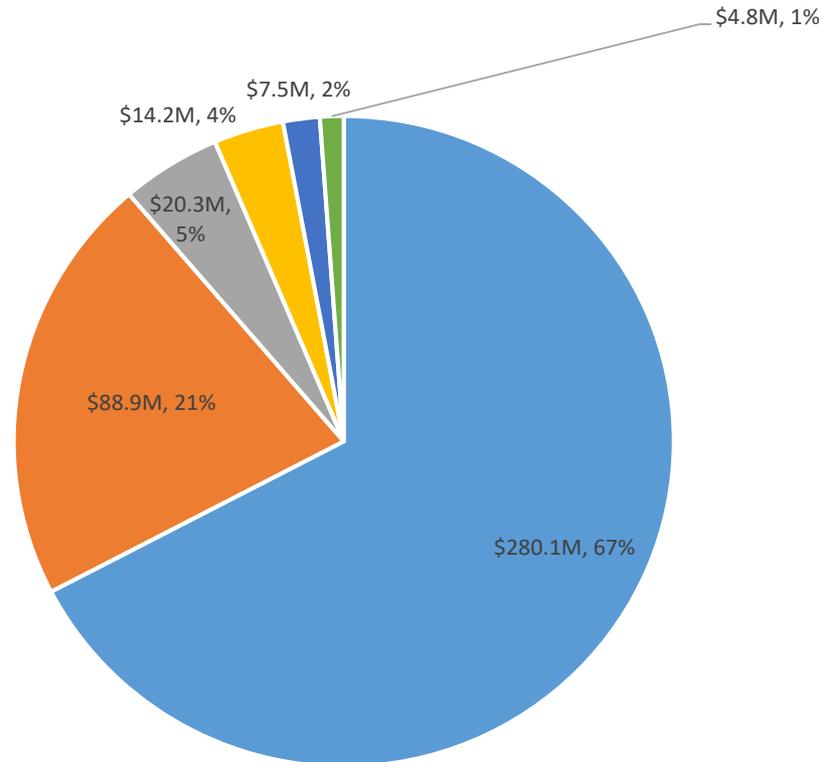
HPS' reliance on Special Funds is in-line with other Urban School Districts in Connecticut



# Major Cost Drivers

## Major Expenditures by Category

Salaries & Benefits and Tuition account for 89% of the budgeted expenditures



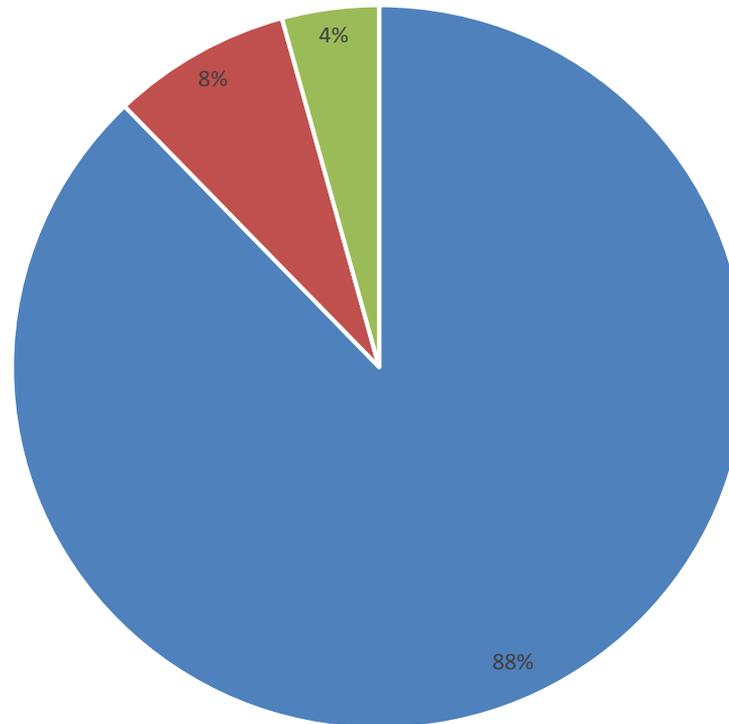
- Salaries & Benefits
- Tuition
- Transportation
- School Facility Overhead
- Textbooks, Supplies, IT
- All Other

# Percent of Budget Spent on Schools

**% Spent on Schools, School Support & Central Office**

Centralized School and Student Support examples:

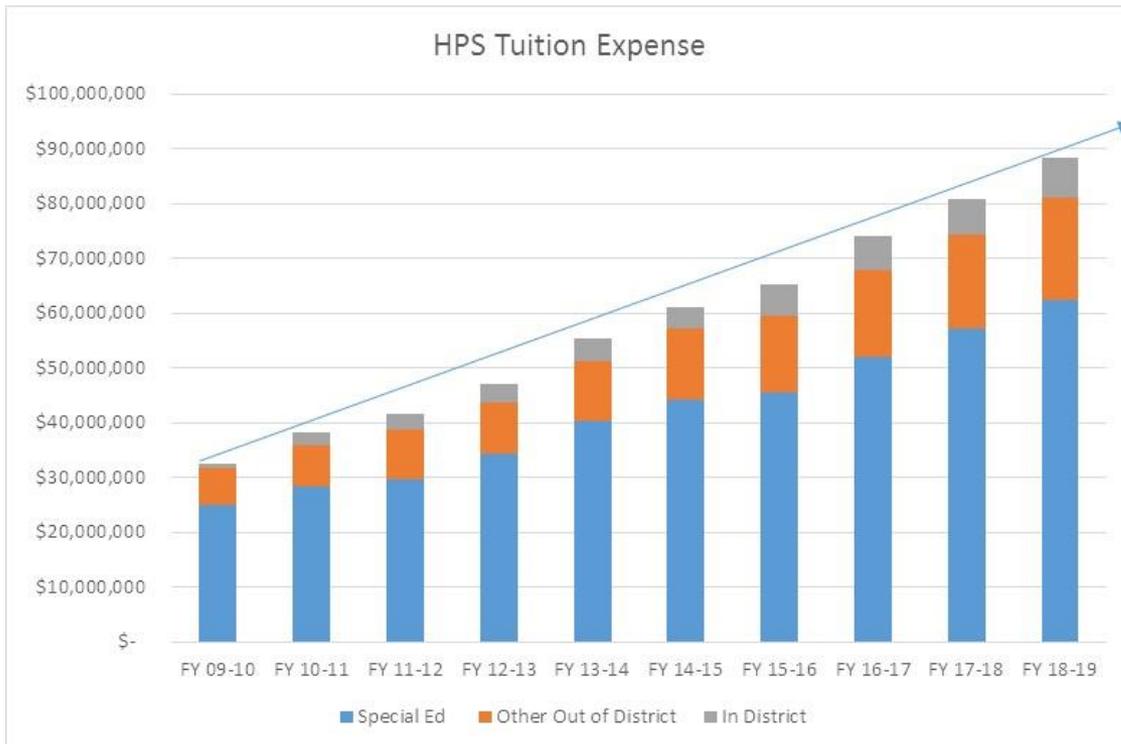
- Buildings and Grounds
- Special Education
- Dept. of Health Services
- Language, Speech and Hearing
- Professional Learning



Central Office examples:

- OTM
- Finance
- Communication
- Printing and Delivery
- Data and Accountability

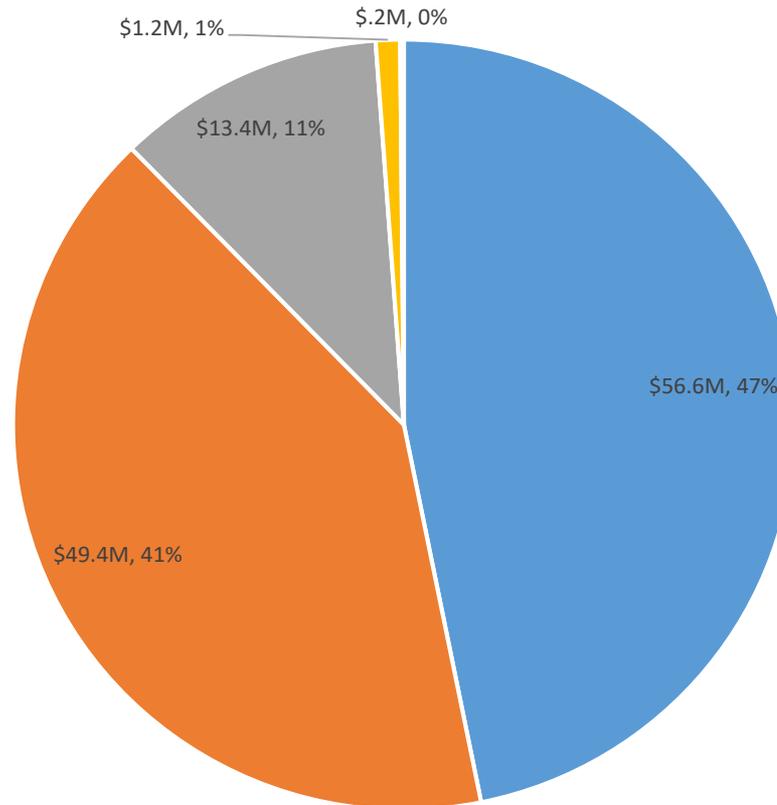
# Financial Trends – Tuition Expense



- 12% average annual growth rate over the last 10 years.
- FY 18-19 early budget estimate is \$88.4M.
- The FY 18-19 early budget estimate is \$55.8M higher than the FY 09-10 expense.

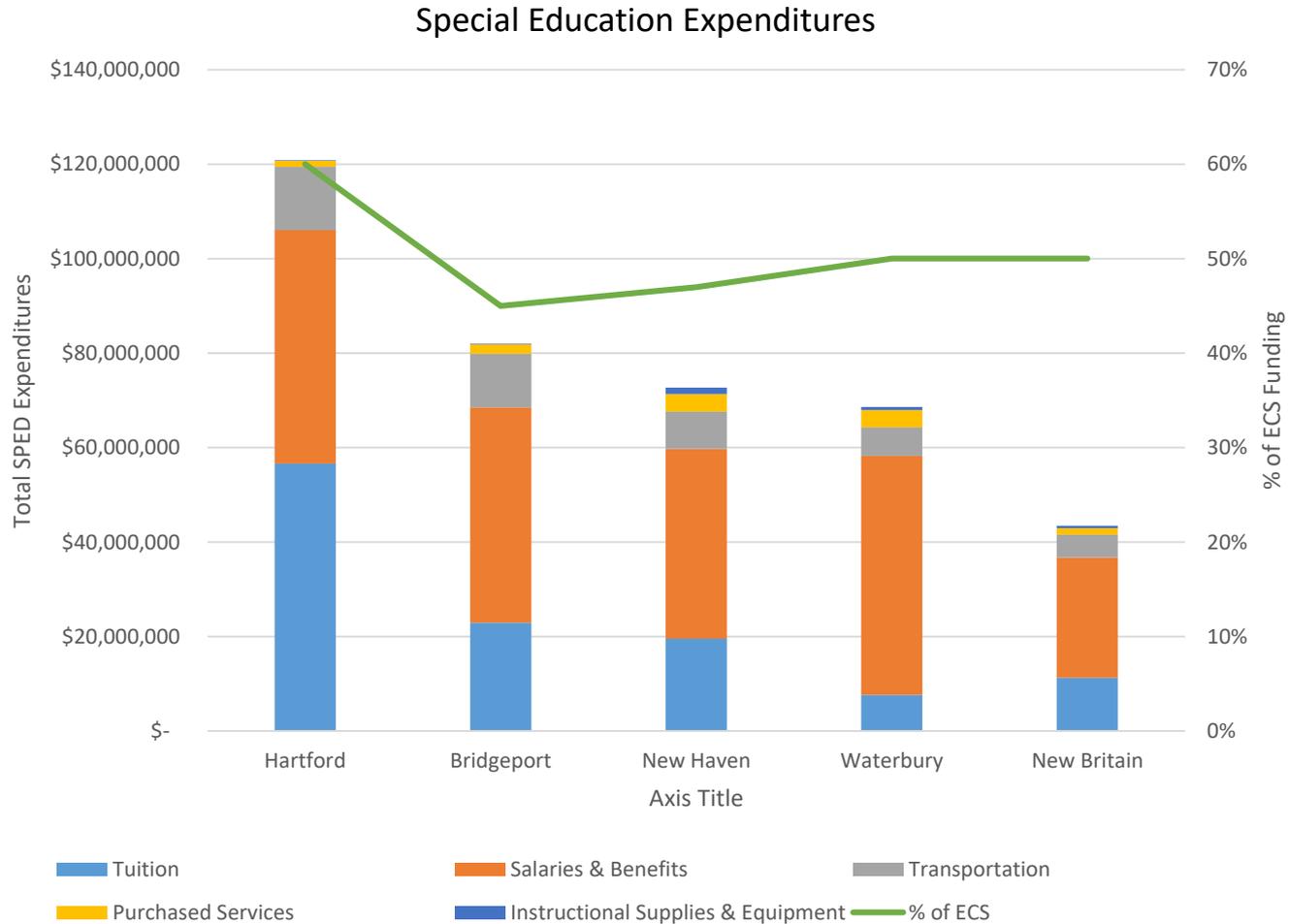
# Financial Impact – Special Education

Special Education Expenditure Data



■ Tuition ■ Salaries & Benefits ■ Transportation ■ Purchased Services ■ Instructional Supplies & Equipment

# Financial Impact – Special Education



# Multi-Pronged Solution for Fiscal Sustainability

- Implement District Model for Excellence Restructuring Plan
- Identify and share resources between schools and community based organizations
- Advocate for appropriate and reliable funding from State and Local resources



# Our Talent

<u>Employees</u>	<u>Organization</u>	<u>Est. # of Employees</u>	<u>Contract Expiration Date</u>	<u>Status: 2017, 2018 &amp; Prior Contracts</u>
Teachers	Local – 1018	1648	6/30/2019	N/A
HPSA – Certified Administrators	Local – 22	116	06/30/2019	N/A
HFSS – School Secretaries	Local – 1018 C	103	06/30/2018	Signed waiver to arbitration and extended timeline for negotiations
HFP - Paraeducators	Local - 2221	484	06/30/2018	Signed waiver to arbitration and extended timeline for negotiations
HFSP0 – Special Police Officers	Local-1018 D	87	06/30/2017	TA – rejected by the MARB 4-5-2018 working on establishing a negotiation timeline with AFT REP – Elizabeth Guerra
HFHP – Health Professionals	Local – 1018 A/B	67	06/30/2018	Signed waiver to arbitration and extended timeline for negotiations
AFSCME – Custodians/Food Services	Local – 566	293	06/30/2018	In Negotiations
Buildings & Grounds Supervisors	Local - 818	6	06/30/2018	In Negotiations
HESP – Educational Support Personnel	Local – 82	167	06/30/2019	N/A
HSSSA- School Supervisors – Non-Certified	Local - 78	38	06/30/2019	N/A
HFCDAs – Child Development Associates	Local – 1018 F	58	06/30/2018	Signed waiver to arbitration and extended timeline for negotiations
HFST – Substitute Teachers	Local – 1018 E	212	06/30/2017	Signed waiver to arbitration and extended timeline for negotiations

# Pension Cost

	<b>FY 16-17 Actuals as of <u>6/30/2017</u></b>	<b>FY 17-18 Adjusted Budget <u>6/30/2018</u></b>	<b>FY 18-19 Projected Contributions <u>6/30/2019</u></b>	<b>FY 19-20 Projected Contributions <u>6/30/2020</u></b>
<b><i>Pension Costs</i></b>				
Contributions to City MERF	\$ 4,085,588	\$ 4,576,759	\$ 4,781,089	\$ 5,429,000
Contributions to City RAF	40,860	32,266	32,266	32,266
Payment to State Ret. Fund	1,390,967	1,458,732	1,457,734	1,457,734
Payment to State MERF-B	641,252	645,672	645,672	645,672
<b>Total Pension Costs</b>	<b>\$ 6,158,667</b>	<b>\$ 6,713,429</b>	<b>\$ 6,916,761</b>	<b>\$ 7,564,672</b>
MERF Actuarial Accrued Liability	\$ 212,102,000			
MERF Assets	\$ 176,998,000			
MERF Unfunded Liability	\$ 35,104,000			
Funded %	83.4%			
Active Participants <b>July 1, 2017</b>	<b>926</b>			

# OPEB – Other Post Employment Benefits

## July 1, 2017 Valuation:

Actuarial Accrued Liability:	\$38,706,000
Assets:	\$18,187,395
Unfunded Liability:	\$20,518,658 (47% Funded)
Participation Counts:	3,241 (Active 2,994, Retiree 247)

- No BOE contribution for spouse coverage.
- No BOE contribution for certified life insurance.
- Non-Certified Life - \$5,000 (up to \$15,000 for certain union grids).
- No BOE contributions to HSA for retirees. HSA only option for new hires.
- BOE Certified health insurance – Age 50 w/25 or Age 55 w/20 or Age 60 w/10
- Non-Certified health insurance – Depends on union.
- The BOE hasn't funded the OPEB trust in four years.

# Budget Gap Mitigation Actions

The following actions have been taken to mitigate the \$24M budget gap

Mitigation Action	Amount
Reduced Central Office Budgets <small>(Reduced 22 FTEs)</small>	(\$4.9M)
Reduced E-Lead Coaching Positions	(\$3.7M)
Additional Federal Entitlement Grant Funding	(\$2.8M)
Continuous Process Improvement (Staff & Process)	(\$2.6M)
Federal Hurricane & Disaster Relief Funding	(\$2.4M)
State Increase in ECS for Displaced Students	(\$1.7M)
Suburban Spec Ed & 504 Services (RSCO)	(\$1.2M)
Reduced Supplies & Materials	(\$1.0M)
School Crossings Guards	(\$1.0M)
Additional Grant Rollover	(\$1.0M)
Favorable Healthcare Costs	(\$ .7M)
Utility Cost Savings	(\$ .4M)
Central Office Non-Bargaining Summer Furlough	(\$ .1M)
Investment in School Teachers, Support Staff and Administrators	\$1.2M
<b>Budget Deficit</b>	<b>(\$2.5M)</b>

# Budget Deficit Mitigation Actions

The following actions have been taken to mitigate the \$2.5M budget deficit

Mitigation Action	Amount
Optimize & Reduce Supplies	\$900k
Eliminate Overtime (ex. Security & Custodians)	\$600K
Reduce Budgeted Severance Expense	\$600K
Reduce 10 Non-Mandated Paraprofessionals	\$300K
<b>Total</b>	<b>\$2.5M</b>

# Next Steps

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- Continue District Model for Excellence implementation efforts