

CONNECTICUT TECHNICAL EDUCATION AND CAREER SYSTEM BOARD

Minutes of the January 16, 2018 Meeting of the of the Sub Committee on Outreach and Finance

Pursuant to notice filed with the Secretary of State, the Connecticut Technical Education and Career System Board Committee on Outreach and Finance met on January 16, 2018 at Ella T. Grasso Technical High School, 189 Fort Hill Road, Groton, CT

I. Call to Order

Commissioner Jackson called the meeting to order at 11:23 AM.

Present: Commissioner Scott Jackson, Chairperson of the Outreach and Finance Committee
Robert Trefry, Chairperson of the CTECS Board
Patricia Keavney, Vice-Chairperson of the CTECS Board
Andrea Comer, Committee Member
James Chasse, CTECS Education Consultant
Jeffrey Wihbey, Interim Superintendent of the CTECS
Beatrice Tinty, CTECS Education Consultant

Absent: Fitz Walker, Committee Member
Gina Chiarella, Committee Member
Commissioner Catherine Smith, Committee Member

II. Public Participation

There was no public participation.

III. Consideration of Minutes of the December 12, 2017 Meeting

Commissioner Jackson moved, Ms. Keavney seconded that the minutes of the December 12, 2017 meeting be approved.

Vote: In Favor: Comer, Jackson, Keavney-Maruca, Trefry
Opposed: 0
Abstained: 0
Absent: Chiarella, Smith, Walker

Motion carried unanimously.

IV. Strategic Planning for the Connecticut Technical Education and Career System

A. CT Center for Advanced Technology, Inc. (CCAT) Outreach

Mr. Elliot Ginsberg, President and Chief Executive Officer at the CT Center for Advanced Technology was unable to join the Committee meeting today. He will update the Committee on outreach efforts at the February 27, 2017 Committee meeting.

B. Expenditure & Revenue Report

Mr. Chasse provided an update on the district's operating and capital budget for fiscal year 2017-18.

As Committee members recall, legislation passed during the fall 2017 budget negotiations resulted in the separation of the district's general fund operating budget into two primary accounts.

Funding for payroll has been placed into a standalone account and the remaining funding for fuel and utilities and services and supplies has been allotted to a new account. The latest biweekly review of the district's payroll operating account has resulted in a significant reduction in the projected costs and resulting deficit. At the time this report is being prepared, the district has 23 full-time positions that have been approved for refill by the Office of Policy and Management (OPM). The modified financial model assumes all of these positions will now be filled by February 2, 2018. There are a total of 102 additional full-time positions that are awaiting OPM approval. The modified financial model assumes these positions will not be filled until the start of the fourth quarter (April 1, 2018) at the earliest. A reserve of \$120,000 for the durational positions has been eliminated. As a result of these initial modifications, the projected payroll costs for fiscal year 2017-18 have been reduced by approximately \$1.4M with the possibility for further reductions. For each pay period that the 102 unapproved positions remain vacant after April 1, 2018, biweekly savings of approximately \$250,000 is possible. That would equate to a reduction in payroll costs of approximately \$700,000 by the end of the current fiscal year.

The district's 2017-18 operating budget included funding for the transfer of twenty (20) staff members from the State Department of Education to the Connecticut Technical Education and Career System (CTECS). To date, eight (8) of the transfers have been completed or are awaiting OPM approval. For each pay period that the other twelve (12) remain the financial responsibility of the SDE, further reductions in the CTECS' projected payroll costs will occur. Assuming the 102 vacancies remain unfilled and the twelve positions remain with the SDE, the projected deficit of approximately \$1.2M would be eliminated. We will continue to update the payroll financial model on a biweekly basis and provide updates to the Board.

Mr. Chasse provided a summary of the latest available operating budget information by payroll, fuel and utilities, supplies and services. The payroll cost projections of approximately \$129.5MM includes funding for full-time (\$110.8MM), part-time (\$15.7MM) and other payroll costs (i.e. separation costs, overtime and longevity - \$3.0MM). It also reflects projected savings from state furlough days.

The creation of a new account for the fuel and utilities and services and supplies portion of the operating budget has resulted in the need to manually recode hundreds of existing purchase orders. In addition, there are approximately 1,400 expenditure vouchers that the SDE is attempting to recode to the new account using an available CORE-CT function. Once the recoding of all the purchase orders and vouchers is completed, the central office and individual budgets can be finalized, distributed and school program budgets developed.

Full-time General Fund Certified Vacancies as of 1/5/2018

Interim Superintendent Wihbey called attention to a list of full-time general fund certified vacancies by school and by program areas highlighting the schools that are hit the hardest--Bullard (9), Whitney (7) and JM Wright (18). This list does not include nurse, maintenance, etc. vacancies. The two programs of concern are Math (9) and Special Education (9). Interim Superintendent Wihbey also expressed concern regarding CTECS school nurse staff. Currently, there are ten nurses covering 18 schools. Additionally, CTECS is bringing in outside security vendor to cover Windham Tech. He also expressed concern about providing quality services to the CTECS with so many vacancies.

Discussion included: The Committee members engaged in a discussion about the budget and vacancies and procedural plans that are currently in place to cover the schools. The last holdback is figured into this report assuming there are no further holdbacks. A question was raised as to whether or not LEAs are required to provide services to private schools within their districts. A question was also raised as to whether or not Board members are personally liable for deficits. Ms. Tinty responded that the statute in place Sec. 10-235 currently indemnifies board members as long as their acts are not wanton, reckless or malicious. It was requested Peter Haberlandt be consulted to verify.

In closing, the Committee members charged Interim Superintendent Wihbey with preparing an impact statement for distribution to OPM with regards to the district budget and numerous unfilled positions. The impact statement will be distributed to Board members for their consideration and to co-sign on that statement if they wish to.

A copy of the Expenditure & Revenue Report and Full-time General Fund Certified Vacancies as of 1/5/2018 Reports are included in the official file of this meeting.

C Bond Requests

Mr. Chasse provided the latest information impacting the district's capital budget and reviewed the bond requests for fiscal year 2017-18.

During the recently completed budget negotiations for the biennial period from 2017-18 to 2018-19, various adjustments to unallocated capital budgets were implemented statewide. For the Connecticut Technical Education and Career System (CTECS), the adjustments included:

- A reduction of \$11,000,000 (from \$15.5M to \$4.5M) in funding targeted for the replacement of trade and academic equipment, technology, vehicles and agency administered projects (P.A. 17-2 Sec. 504 (k));
- Elimination of the remaining balance of \$3,066,000 for extended hours programs at Eli Whitney THS, A.I. Prince THS, E.C. Goodwin THS, and W.F. Kaynor THS (P.A. 17-2 Sec. 521 (b)(1)), and
- Increased the bond authorization for grants-in-aid to provide evening trade programs in skilled trades, but not limited to, manufacturing, masonry, electrical, plumbing and carpentry trades from \$5,000,000 to \$8,066,000 (P.A. 17-2 Sec. 521 (b)(2)).

As a result of these adjustments, the CTECS' unauthorized bond balances were reduced to approximately \$13.2 M for replacement of equipment, technology, vehicles and infrastructure repairs and \$8,066,000 for evening trade programming.

On November 29, 2017, a special meeting of the State Bond Commission was held. At that meeting, the CTECS received approval of an allocation of \$1,646,819 to award a construction contract for paving, site improvements and a new maintenance building at Bristol Technical Education Center.

The CTECS will be submitting two new bond requests for consideration at the February 23, 2018 State Bond Commission meeting. One request is for \$2,000,000 needed for various infrastructure repairs across the district. The other request totals \$2,800,000 for the replacement of technology hardware (\$1.5M) and for the replacement of network servers and data wiring (\$1.3M).

A copy of the capital budget and bond requests report is included in the official file of this meeting.

V. Adjourn

The meeting was adjourned at 12:05.

Prepared by: *Alane Curtis*

Administrative Assistant
Connecticut Technical Education and Career System