

**Town of Preston
Board of Education
Finance Sub-Committee Special Meeting
Thursday, July 6th, 2017
PVMS Library
6:00 pm**

1. Call to Order

Chairman Nugent called the meeting to order at 6:00 pm.

Sean Nugent (SN)
Jan Clancy (JC)
Melissa Lennon (ML)
John Spang (JS)

Guests: Andy Depta, Dr. Roy Seitsinger

2. Pledge of Allegiance

3. Approval of Minutes

A motion was made by JC and seconded by SN to approve the June 8th, 2017 minutes as submitted. All in favor; the motion carried.

4. Old Business

- **BOF Debrief: FY 18 Operating BoE 5-Year Capital Plan**

The group discussed the recent discussion/review with the BoF regarding the BoE's 5-year capital plan request. It was felt that the discussion went well but that we needed to follow up with the BoF and provide the high-level report that includes an explanation of each capital item being requested.

Action: JS to send the 5-Year Capital Plan request that includes an explanation for each item to the BoF.

- **June 2017 Financial Report**

JS had not completed the full report for June but was able to provide an indication as to where he felt the BoE would end FY17. JS indicated that he felt that the BoE would end in the black based upon his current assessment of line item run rates and projected year-end spending. As there is no BoE meeting this month, JS will present a high-level report to the BoF.

JS raised a question regarding signatory approval of various 'budgeted' expenses during the superintendent gap time (July 1 through July 23). It was agreed, with Dr. Seitsinger included in the discussion, that JS should move forward as planned but should include both Dr. Seitsinger and Chairperson Clancy on emails informing them of these approvals. Once Dr. Seitsinger is on board (July 24th), we can then move to our internal process.

- **Financial History/Reporting**

SN shared a template that provides a historical perspective (budget and actual) of the BoE budget from FY12 through the current approved FY18 budget. It is further broken down into BoE revenue, BoE operating expenses, and Town Education Income such that a more holistic picture of Preston's school budget is provided. This template could serve to assist the new superintendent, in socializing the full

budget picture to the community, and to begin to identify areas where we can become more efficient and effective. The group felt that this could be an useful tool and asked that some adjustments/changes be made to it.

Actions: SN to update the template to incorporate the changes requested by the group and Dr. Seitsinger.

JS shared a letter from the Department of Education (SDE) regarding a plan to develop a new system to collect and report financial data beginning with fiscal year 2017-18. The new system will provide more detailed financial information and will now include the individual schools as separate reports. This will continue to include a total roll-up to total financial report. This 'programmatic reporting' will allow for richer studies of our expenditures and will serve as a wonderful budget addition to the Facility Capacity study.

- **Annual Facility Capacity Assessment**

The committee discussed the comments received from Sam Chinigo as well as the plan to continue to refine and refresh the draft analytical tool. The group felt that Mr. Chinigo had some valid points and that those would be incorporated and considered as we move forward. SN asked that the group review the template in detail and be prepared to go through it in detail in our August meeting.

The group also discussed that the facility capacity work is one of three financial areas that both the FC and full board need to focus on with Dr. Seitsinger as this focused effort will lead to improved efficiencies (financial) and effectiveness (processes). Budget Transparency and Shared Services are the other two areas. It was agreed that Shared Services should include internal BoE systems/processes, the Town of Preston, and regional opportunities.

5. Adjournment

A motion was made by JC and seconded by SN to adjourn the meeting at 7:00 pm.
All in favor. Motion carries.

Next meeting scheduled for Thursday, August 10th at 6:00 pm at PVMS.

Respectfully submitted,

Sean Nugent

Preston BoE Budgets
History (FY12-FY16)

	<u>FY12 Budget</u>	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY13 Actual</u>	<u>FY14 Budget</u>	<u>FY14 Actual</u>	<u>FY15 Budget</u>	<u>FY15 Actual</u>	<u>FY16 Budget</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Actual</u>	<u>FY18 Approved</u>
Total Operating Cost	\$10,863,469		\$10,900,072		\$11,262,626		\$11,493,665		\$11,413,193		\$11,703,444		\$11,879,989
FY18 BoE Original													\$12,128,289
District Income:													
Title I	\$39,985		\$89,689		\$118,533		\$126,926		\$106,605		\$98,327		\$98,330
Title II	\$17,315		\$19,107		\$17,798		\$17,596		\$17,264		\$16,643		\$16,645
IDEA 611 SPED	\$116,821		\$111,640		\$107,768		\$114,330		\$114,219		\$123,936		\$123,935
IDEA 619 Pre-K	\$4,212		\$4,168		\$4,023		\$4,032		\$4,032		\$4,191		\$4,190
REAP	\$30,920		\$26,876		\$23,051		\$28,180		\$25,346		\$26,347		\$26,000
Adult ED	\$30,624												
Excess Cost SPED	\$195,000		\$220,000		\$329,217		\$352,601		\$295,727		\$215,750		\$0
Total District Income	\$434,877		\$471,480		\$600,390		\$643,665		\$563,193		\$485,194		\$269,100
BoE Additional Expenses:													
UPK - B Expenses	\$6,758,072								\$7,573,217		\$7,516,861		\$7,383,027
High School Tuition Expenses	\$1,881,055								\$1,675,257		\$1,836,994		\$2,042,801
Special Education Expenses	\$1,511,465								\$1,323,521		\$1,557,489		\$1,885,317
Transportation Expenses	\$278,000								\$278,005		\$306,906		\$299,744
Town BoE Budget Request	\$10,428,592		\$10,428,592		\$10,662,236		\$10,850,000		\$10,850,000		\$11,218,250		\$11,610,889
Change FY17 vs FY18													\$392,639
Town Educational Income:													
ECS	\$3,057,024		\$3,114,928		\$3,094,214		\$2,980,712		\$3,086,158		\$3,012,017		\$1,934,374
Special Education Grant (new)													\$1,298,003
Total Town Education Income	\$3,057,024		\$3,114,928		\$3,094,214		\$2,980,712		\$3,086,158		\$3,012,017		\$3,232,377
Change FY17 vs FY18													\$220,360
Town Share (taxes)	\$7,371,568		\$7,313,664		\$7,568,022		\$7,869,288		\$7,763,842		\$8,206,233		\$8,378,512
Change FY17 vs FY18													\$172,279
											mill rate		0.43

Preston BoE Surplus History

Fiscal Year	Final Budget (\$)	\$ Returned to Town	Actual Spent (\$)	% of Budget	% Change from Previous Year
2004-2005	8,518,711	56,968	8,461,743	0.67%	
2005-2006	9,285,395	(856)	9,286,251	-0.01%	9.00%
2006-2007	9,903,000	62,513	9,840,487	0.63%	6.65%
2007-2008	10,152,014	256,609	9,895,405	2.53%	2.51%
2008-2009	10,456,161	107,605	10,348,556	1.03%	3.00%
2009-2010	10,456,161	442,762	10,013,399	4.23%	0.00%
2010-2011	10,020,032	42,662	9,977,370	0.43%	-4.17%
2011-2012	10,428,592	245,291	10,183,301	2.35%	4.08%
2012-2013	10,428,592	24,062	10,404,530	0.23%	0.00%
2013-2014	10,622,236	57,652	10,564,584	0.54%	1.86%
2014-2015	10,850,000	161,962	10,688,038	1.49%	2.14%
2015-2016	10,948,000	94,063	10,853,937	0.86%	0.90%
2016-2017	11,218,250				2.47%
Total		1,551,293			
Average	10,252,857	129,274	10,043,133	1.29%	
2009-2016		1,176,059			
Average/Year		147,007			

Preston BoE Budgets
History (FY12-FY16), Current (FY17), and Future (FY18)
BoF Adjusted including Recent SPED Changes (\$137k) +\$80k Add Back

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	% Change FY18 vs FY12	% Change FY18 vs. FY17
Total Operating Cost	\$10,863,469	\$10,900,072	\$11,262,626	\$11,493,665	\$11,413,193	\$11,703,444	\$11,959,989	10.1%	2.2%
FY18 BoE Original							\$12,128,289		
District Income:									
Title I	\$39,985	\$89,689	\$118,533	\$126,926	\$106,605	\$98,327	\$98,330	145.9%	0.0%
Title II	\$17,315	\$19,107	\$17,798	\$17,596	\$17,264	\$16,643	\$16,645	-3.9%	0.0%
IDEA 611 SPED	\$116,821	\$111,640	\$107,768	\$114,330	\$114,219	\$123,936	\$123,935	6.1%	0.0%
IDEA 619 Pre-K	\$4,212	\$4,168	\$4,023	\$4,032	\$4,032	\$4,191	\$4,190	-0.5%	0.0%
REAP	\$30,920	\$26,876	\$23,051	\$28,180	\$25,346	\$26,347	\$26,000	-15.9%	-1.3%
Adult ED	\$30,624								
Excess Cost SPED	\$195,000	\$220,000	\$329,217	\$352,601	\$295,727	\$215,750	\$0	-100.0%	-100.0%
Total District Income	\$434,877	\$471,480	\$600,390	\$643,665	\$563,193	\$485,194	\$269,100	-38.1%	-44.5%
BoE Additional Expenses:									
UPK - 8 Expenses	\$6,758,072				\$7,573,217	\$7,516,861	\$7,550,027	11.7%	0.4%
High School Tuition Expenses	\$1,881,055				\$1,675,257	\$1,836,994	\$2,092,801	11.3%	13.9%
Special Education Expenses	\$1,511,465				\$1,323,521	\$1,557,489	\$1,748,317	15.7%	12.3%
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Change FY17 vs FY18							\$220,360		
Town Share (taxes)	\$7,371,568	\$7,313,664	\$7,568,022	\$7,869,288	\$7,763,842	\$8,206,233	\$8,458,512	14.7%	3.1%
Change FY17 vs FY18							\$252,279		
Inflation Change (2012 - Present)	8%					mil rate	0.63		



STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Superintendents of Schools
Charter School Directors
Regional Educational Service Center Directors
School Business Officials

FROM: Kathy Demsey *Kathy Demsey*
Chief Financial Officer

DATE: June 23, 2017

SUBJECT: Education Finance System (EFS)

In my memorandum dated November 1, 2016, I advised you of the Department's plan to develop a new system to collect and report financial data beginning with fiscal year 2017-18. The project is well underway, and I would like to provide you with an update.

Anticipated Timeline

We have been holding regular meetings with a working group consisting of Department and local educational agency representatives to guide development of the system. The new system will be implemented for use in the summer of 2018 for collection of 2017-18 data, due September 1, 2018. The timeline for development continues to be refined; however, important next steps for districts to be aware of include:

- present system design and requirements to all districts during September 2017;
- share prototype Web interface including data collection interface, manual and electronic data upload capability, and prototype reports (January 2018); and
- provide user training (spring 2018).

Work to Date

The majority of the data requirements for the EFS have been determined, and we have identified specific data elements currently captured on the End of Year School Reports (Form ED001 series) that are no longer necessary to collect. Regarding the system itself, a prototype record layout and system upload process have been developed. We have also begun design of the overall Website layout and individual Web pages.

Collection of School-Level Data

The most significant change from our current ED001 filing is the need to collect and report financial data at the school level. To accommodate federal reporting requirements of the Every Student Succeeds Act (ESSA) and the Survey of School-Level Finances (F-33 SLFS), along with the state reporting requirements of the Uniform Chart of Accounts statute, a new school-level expenditure schedule will be included in the financial reporting system. Please see the attached prototype, which we expect to refine over the coming months. The data elements shown on this schedule would be required for each school in your

district. Additionally, the following information will need to be identified for each data element: a) the funding source type (i.e., federal, state, local, private, in-kind); b) education type (regular or special education); and c) prekindergarten inclusion status. We continue to work on the format for the new system, but felt it was important to notify districts now of the scope of data to be collected. We will also continue to monitor any guidance that the federal government provides regarding implementation of the ESSA, which could affect this data collection system.

The New Financial Data Collection and Reporting System

The EFS will incorporate much of the data currently collected on the ED001s, as well as the new school-level data. The planned features of the system include:

- allow for an automated upload of expenditure data in a record layout format developed for the new system;
- allow for manual entry and adjustments of data in each schedule in the new system;
- utilize data from other Department data collections as much as possible to reduce duplicate reporting requirements for districts;
- provide capability within the system to allocate expenditures to the school level that are not currently accounted for at such level; and
- provide additional edits and reports to assist districts in ensuring data integrity.

Please note that expenditure coding for the EFS will be based on the US Department of Education publication "Financial Accounting for Local and State School Systems: 2014 Edition", available at: <https://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2015347>.

Thank you for your continuing cooperation as we work to meet federal and state reporting requirements. If you have any specific questions, please contact Gary Pescosolido at 860-713-6667.

KD:fp

Attachment

cc: Gary Pescosolido
Mark Stange
Ngh Trieu
Dave Twedt

DRAFT

School-Level Expenditure Data - Required for Each School

Function	NCEES Function	OBJECT CODE												
		Total	Salaries		Benefits			Purchased services				Supplies		
		1	2	3	4	5	6	7	8	9	10	11	12	13
		Teacher salaries	Instructional aide salaries	Other salaries	Employee Benefits	Technology related purchased services	Non-technology related purchased services	Purchased property services	Advertising and printing and binding	Other purchased services	General and energy supplies	Books and periodicals	Supplies-Technology related	Technology related hardware
Instruction	100XX	100,100	102	All other 100	200	351,892,437	310-340,280	All other 400	340,250	All other 500,500 except 540, 570	000,010,520	540	020	734
Support services - student	200X	-	-	-	-	-	-	-	-	-	-	-	-	-
Improvement of instruction	300X	-	-	-	-	-	-	-	-	-	-	-	-	-
Library and media services	400X	-	-	-	-	-	-	-	-	-	-	-	-	-
Other support services - instruction	500X	-	-	-	-	-	-	-	-	-	-	-	-	-
Support Services- School Based Administration	600X	-	-	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance of Plant	700X	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

Function and Object codes refer to US Department of Education publication "Financial Accounting for Local and State School Systems: 2014 Edition".

The expenditure items illustrated in the sample above each have:

1) Program type (Regular education, Special Education 10-766, and Special Education Other)

and

2) Level (PreK or not PreK)

and

3) Source of funding (Board of Education State/Local source funds, Board of Education Federal source funds, Board of Education private source funds, In-Kind Local Tax source funds, In-Kind Other State/Local source funds, In-Kind Federal source funds, In-Kind private source funds)

So in many cases there will be multiple schedules (tables of data) for the School-Level Expenditure Data.