

The New London Board of Education Finance and Audit Committee Special meeting was held via Zoom Webinars.

1. Call to Order

Ms. Maynard-Adams, Committee Chair, called the meeting to order at 6:05 p.m.

Present for the Committee: Elaine Maynard-Adams - Committee Chair
Alisha Blake – Committee Member
Susan Hambey – Committee Member (*arrived at 6:15 p.m*)

Present for the administration: Cynthia Ritchie, Superintendent of Schools
Rob Funk, Chief Financial Officer
Melissa Flores-Seijo, Director of Business & Finance

2. Public Comment

None.

Ms. Hambey joined the meeting at 6:05 p.m.

3. Review Monthly Financial Report

Mr. Funk reviewed the Monthly Financial Report with the committee.

This report is available in its entirety upon request.

4. Discussion and Possible Action on Recommended Changes to Special Education Magnet Tuition Rates

Mr. Funk explained that the rates had not been increased in some time, and reviewed the proposed changes.

Motion by Ms. Maynard-Adams, seconded by Ms. Blake, to approve the Recommended Changes to Special Education Magnet Tuition Rates.

Motion carried, 3-0

5. Committee Member Comments

Ms. Blake shared that she had seen flyers for New London Public Schools in Niantic while she was at the dental office. She commended whomever it was who is doing that, and ensuring that the word is getting out about enrollment here in New London.

Ms. Maynard-Adams read a statement aloud for the record. ***(This statement can be found in its entirety at the end of these minutes.)*** She also added that along with Ms. Hambey, they walked out of the City Council meeting in protest last evening.

6. Adjournment

Motion by Ms. Blake, seconded by Ms. Hambey, to adjourn the meeting.

Motion carried, 3-0

The meeting was adjourned at 6:33 p.m.

Respectfully submitted,

Kristea A. Francolino
Manager of Executive Support Services

4/24/25

We heard at the April 23 special council meeting that the mayor did not know what our budget gap was. To be clear and fully transparent, the budget that was approved by the BOE and sent to the Mayor on March 15 requested an increase in the general fund appropriation of \$7,645,604. That budget was based on revenue estimates from information that was available prior to the release of the governors recommended budget – a budget that is still unlikely to pass exactly as he proposed. Since then there has been activity to suggest some different revenue projections for some of the funding sources. As the BOE studies the potential impact of possible revenue stream outcomes, the BOE continues to work to identify ways of balancing the budget.

Recently the BOE was made aware of an additional \$925,000 grant that the state intends to award the district, and that information was provided to the mayor by both the Superintendent and the Board President. We have not received an official award but have nonetheless factored that additional revenue into our active projections. Another change involves health insurance rates for FY26. The budget as submitted used rate assumptions because the final insurance rates were not available at that time. Final rates proved to be higher than what we estimated, and we have adjusted our proposed budget accordingly.

Other projected changes include some minor increases in two of our smaller grants. It appears that when the FY24 audit is completed we will be able to deposit more funds into the non-lapsing fund, but this is not definite yet. Regardless, we have included this in our active projections.

The FY26 budget book assumed that the city will keep its promise and appropriate additional funds to education in FY25 as a result of additional ECS received by the city. This has occurred, but the city has not appropriated the additional funds. The mayor's proposed FY26 budget ignores this additional appropriation. While we disagree we are reducing our projections as if the additional ECS is not received.

Be aware that active projections can change on a daily basis. Also be aware that the legislature's Appropriations Committee released its budget on April 23. It does not contain any additional ECS but MAY provide extra support for special education costs. Its passage is of course not guaranteed so we have not added any of this projected revenue increase.

The budget as submitted to the mayor indicated that the BOE needed \$7.6m in additional funds appropriated in the general fund. When considering that the mayor's recommended budget would fund the General fund at a rate that is less than what we anticipated the FY25 final appropriation to be, this means that the amount being requested is an increase of \$8.3m over FY25. Based on updated assumptions, the BOE has been able to decrease that projected need to \$4.5, (\$5.2m if the FY26 gen fund appropriation is lower than what was promised for FY25 (as is reflected in the mayors proposed budget)). If we update our projection to information as of yesterday – 4/23/25 – that need grows to \$5.5m.

That number will continue to change, but clearly it will not change to a point where any amount by which the city might consider increasing our general fund appropriation could be more than the final need. Projections continue to change throughout every year. Budgets are projections and guidelines that are based on the information known at the time that the budget is approved. This is evidenced by the fact that the city unassigned fund balance has grown over the past several years despite no budget projection for this. It is perfectly normal that budget changes occur throughout the year. That is the purpose of line item transfers. What is important to note is that our overall budget never exceeds our total budget.

We don't know the origin of the \$2.5m number that many speakers advocated for at the special council meeting. While \$2.5m would be a very welcome increase, we would still have to cut large amounts from our budget in order to balance it. No projections have come even close to closing the total gap with only a \$2.5m increase in our general fund. The BOE has been clear that we submitted the budget that we need, but that we have no expectations that the full need will be funded. We are aware that we will have to cut essential services in order to balance the budget. We have communicated this all along. While our projections indicate a likelihood of an improvement, under the best-case scenario we still have to cut from services that the BOE has deemed necessary.

The fluctuations in projections are irrelevant when considering the requested increases. Our budget crisis is primarily from the effects of the city not funding inflationary costs, and the expiration of grant funds that the BOE used in place of these increases that did not happen. We have heard no one suggest that the city fund the BOE general fund at the full amount that was requested.