

**CITY OF NORWALK  
BOARD OF EDUCATION  
FINANCE COMMITTEE  
SPECIAL MEETING  
DECEMBER 10, 2013**

ATTENDANCE: Mike Barbis, Chair; Michael Lyons, Rosa Murray, Shirley Mosby.

STAFF: Dr. Manuel Rivera, Superintendent, Richard Rudl, CFO.

Call to Order

Mr. Barbis called the meeting to order at 8:15 p.m. and introduced the members in attendance as listed above.

Review Superintendent's Proposed FY Budget for 2014-2015

Dr. Rivera gave an overview of the background of the process of developing the budget and reviewed the phases of planning and input from the focus groups. He stated that rather than merely provide a budget presentation he wanted to set a vision and explained that the budget involved a line by line detailed review of all positions at the schools, the central office and grants. He provided a summary as follows:

- The recommended FY 2014/15 budget is for an operating increase of 3.6% over 2013/14.
- In order to move forward, we have taken a multi-year approach to investing in the Norwalk Public Schools. These investments will be highlighted in a variety of areas over the course of a few years. Funding for changes will come from state, local and private sources.
- This budget will address the CREC Report, move Norwalk forward with implementing Common Core, strengthen early literacy, address class size concerns among the community, and strengthen central services.

Plan and Budget Highlights are as follows:

- Establishes one-time fund to create a Facility Utilization Plan: \$100,000
- Refocuses grant and foundation funds to phase in the assignment of a full-time Curriculum and Instruction Site Director at each K-5 school, with key responsibilities:
  - Common Core SS
  - K-3 Literacy emphasis
  - Supervision and evaluation
- Grant funds are targeted to support professional development for Board-approved priorities.
- Advances Board priorities for Technology, Communication, Library Redesign, and Astronomy and Science Center.

Expense Assumptions for 2014/2015

- Salaries are in accordance with collective bargaining agreements
- Health insurance based on projections reflects a 4% increase
- Affordable Care Act requires \$5.25 per month, per member, or \$220,000
- Per Pupil Allocation to schools remain consistent with prior years: \$85 for HS, \$74 for MS, \$71 for Elementary
- Increases in both out-of-district tuition and consulting services for Special Education students. (Projected increase 4.1%)
- Transportation increases based on contractual obligation (4.5% annual contractual increase to First Student. Additional vans for Special Education and additional bus increase overall year over year increase to 9.5%)

Budget Reductions & Reallocations

- Eliminate 6 positions, three of which are vacant
- Reallocate Alliance and other grant funding sources to support ELL services, Curriculum and Instruction Site Directors, and Grants Department.
- Generate savings in facilities accounts through the use of more in-house work and vendor changes.
- Reduction in supplies accounts based on historical trends.

Dr. Rivera reviewed the focus areas, priorities, enrollment trends, ECS funding comparison, and provided the following summary chart for 2013-14, 2014-15 and percent comparisons:

|  |                      |                      |              |
|--|----------------------|----------------------|--------------|
| <b>Salaries (100)</b>                              | \$100,866,008        | \$104,614,705        | 4%           |
| <b>Benefits (200)*</b>                             | \$35,541,583         | \$36,895,679         | 4%           |
| <b>Professional &amp; Technical Services (300)</b> | \$3,762,517          | \$3,689,356          | -2%          |
| <b>Property Services (400)</b>                     | \$2,586,126          | \$2,541,531          | -2%          |
| <b>Other Services (500)</b>                        | \$13,303,710         | \$14,093,399         | 6%           |
| <b>Supplies and Materials (600)</b>                | \$5,792,408          | \$5,777,908          | 0%           |
| <b>Equipment (700)</b>                             | \$313,014            | \$366,571            | 17%          |
| <b>Other Objects (800)</b>                         | \$106,497            | \$139,235            | 31%          |
| <b>Total Operating Expenses</b>                    | <b>\$162,271,864</b> | <b>\$168,118,385</b> | <b>3.60%</b> |

Mr. Rudl reviewed the key expense and income drivers and provided the following supporting rationale and budget assumptions:

- Other Bargaining Group Increases include salary & wage increases to bargaining groups other than NFT, Communications Director, Shift of a Assistant Supervisor in Special Education from IDEA Grant to Local due to a reduction in the IDEA grant from the Federal Sequester, Housemaster Grievance increasing to 12 months settled after FY 13/14 base budget adopted, FY 13/14 class size aides added with surplus funds.
- \$1.2 million of the benefits increase relates to Health Insurance. Migration of employees from PPO to HSA during various bargaining sessions has resulted in a lower rate of increase year over year. Currently Lindberg & Ripple project a 4% increase in health insurance due to a projected 30% of current PPO users moving to HSA's. Included in the Health Insurance projection is a 4% margin.
- Other increases include increase funds for MS Intramurals/Clubs at the request of MS Principals, increase legal fees due to NFT re-opener and various legal counsel needs, athletic liability insurance, Memberships, Mathematics Books/Workbooks, NEASC accreditation, travel allowance changes from negotiations, substitutes
- Alliance District Grant carryover from FY 12/13 into FY 13/14 saved as well as planned vacant positions in alliance in FY 13/14. These funds will be un-used in FY 13/14 and carry over into FY 14/15. The use of carryover funds as well as the change in the design of the alliance spending plan will be used to fund 6 FTE Curriculum Site Instructors (Assistant Principals) and 4 ELL Elementary Teachers.
- Medicaid Reimbursement funds unused in FY 12/13. We will carryover these funds into FY 14/15 for a 1 time increase in the Medicare reimbursement acct. object 329.

Dr. Rivera gave an explanation of where the money goes, highlighted on the following chart:

|                                   |                |
|-----------------------------------|----------------|
| NFT Salary Increase               | \$3.10M        |
| Other Bargaining Group Increases* | \$1.50M        |
| Benefits                          | \$1.40M        |
| Redesign Funds                    | \$0.87M        |
| Other Increases**                 | \$0.75M        |
| Transportation                    | \$0.60M        |
| Special Education Accounts        | \$0.30M        |
| Technology                        | \$0.20M        |
| Excess Medicaid Funds             | \$(0.35)M      |
| Grant Re-allocation               | \$(1.27)M      |
| Reductions                        | \$(1.26)M      |
| <b>Total</b>                      | <b>\$5.84M</b> |

There was a discussion of questions, and more detail was requested on the followings:  
Mr. Barbis asked about the elimination of 6 positions, Dr. River replied that the goal is to realign the six positions and change the Assistant Principal position/titles to Curriculum Supervisor to better manage the expectations of the teacher evaluation system.

Mr. Lyons asked about the Astronomy/Science Center, and Ralph Valenzisi explained that they plan to update the planetarium with a new projector in the dome along with a 3-D printer for greater use as a classroom. He added that Mr. Mackenstein has delayed his retirement until February and is assisting the I.T. Department with these modifications.

Ms. Murray asked about the grants and expressed concern over sensitivity of managing the grant requirements and implementation. She requested details of the redesign of the Human Resources Department, and Dr. Rivera replied that he is sourcing consultants to evaluate the current inefficiencies of the systems to recommend a more comprehensive approach to the district's personnel management function.

Ms. Mosby asked about the Alliance Fund and grants reallocation and requested more information on the carryover balance. Dr. Rivera explained that in addition to this there is Title I funding that is based on Free/Reduced Lunch participation. He spoke about recent audit that has changed the percent for the district from 51% to 49% and this has an impact on the grant allocations.

Dr. Rivera stated that this presentation is a draft and there will be a detailed responses to questions provided at the Board meeting on December 17. He suggested that additional questions be provided by e-mail to Mr. Rudl so that supporting detail can be included in the updated presentation.

Dr. Rivera thanked Mr. Rudl and his staff for their work on the development of the budget.

The meeting was adjourned at 9:35 p.m.

Respectfully submitted,

Marilyn Knox  
Telesco Secretarial Services