

**CITY OF NORWALK
BOARD OF EDUCATION
FINANCE COMMITTEE
APRIL 23, 2014**

ATTENDANCE: Rosa Murray, Chair; Jack Chiaramonte, Heidi Keyes, Mike Barbis

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

Call to Order

Ms. Murray called the meeting to order at 6:30 p.m. and stated that members in attendance were as listed above and there was a quorum present.

Review of Anthem Blue Cross and Blue Shield Self Insurance Through March 2014

Mr. Rudl reviewed the memorandum outlining the FY 14/15 Insurance Budget Adjustment as presented at last month's meeting. He reviewed the background, and explained that based on the Anthem Split Funded amount created a budget surplus of: \$1,984,572. Note that this is after deduction of the \$1,187,520 from the BoE's insurance reserve already made in the Finance Director's recommendation.

He reviewed the details of the insurance savings and explained the BoE budget request took conservative numbers not including these savings. There were a number of areas that the Superintendent wanted to address in the FY 14/15 budget but, given the expected financial limitations, were put on hold until further funding could be identified.

Changes in Funding Sources a Non Personnel Effecting Board Approved Budget

1. Move 4.0 FTE ELL Teachers from Alliance into the Local Budget due to a potential disallowance by the CT Education Commissioner: \$378,327
2. Move 0.5 FTE Technology Coach from Alliance to the local budget to free up FY 15/16 alliance funding to ensure funds are available for year 2 of the Common Core Instructional Site Director: \$42,210
3. Carry forward of Special Education Transportation Budget Transfer: \$150,000
4. Additional Funds for Special Education Tuition/Consulting Services: \$12,285
5. Additional deposit into the insurance trust fund over existing projections to provide preventative funding in outer years: \$423,761. Total Spending: \$1,006,583

There was discussion on the reasons for the lower health insurance costs, and Mr. Rudl explained that the nature of the HSA has an impact that has resulted in changed behavior. He explained that the bills go to the patient until the deductible is met, and paying the doctor bills from the HAS account and this changes the thinking of handling of arrangements for medical services, such as going to the doctor rather than the hospital. He further explained advantages of the HSA versus PPO, and mentioned that there are pamphlets to assist employees with the program. Mr. Rudl then presented the following:

ANTHEM BLUE CROSS AND BLUE SHIELD SELF INSURANCE												
Fiscal Year	Institutional Claim Costs		Medical/Surgical Claim Cost		Drug Claim Cost		Totals		Expected Claims		% Expensed	Unfavorable
	Month	YTD	Month	YTD	Month	YTD	Month	YTD	MTD			
February	\$ 656,807	\$ 6,854,888	\$ 420,820	\$ 5,461,399	\$ 62,673	\$ 1,704,639	\$ 1,140,300	\$ 14,020,926	\$ 2,053,403	56%		
March	\$ 780,827	\$ 7,635,715	\$ 548,522	\$ 6,009,921	\$ 181,015	\$ 1,885,654	\$ 1,510,365	\$ 15,531,291	\$ 2,053,403	74%		
April		\$ 7,635,715		\$ 6,009,921		\$ 1,885,654		\$ 15,531,291	\$ 2,053,403	0%	\$ 2,053,403	
May		\$ 7,635,715		\$ 6,009,921		\$ 1,885,654		\$ 15,531,291	\$ 2,053,403	0%	\$ 2,053,403	
June		\$ 7,635,715		\$ 6,009,921		\$ 1,885,654		\$ 15,531,291	\$ 2,053,403	0%	\$ 2,053,403	

After adding these items back into the budget, we would have excess funds of \$500,000 which could be returned to the City, with a Total Base Budget in FY 14/15 of \$166,430,865, a 2.56% increase over current years. With these adjustments to City-funded programs, the State Alliance funding would be used as follows:

High Level Review of Amended FY 14/15 Operating Budget

AMENDED FY 14-15 BUDGET

Object	FY 13/14 Budget	FY 14/15 Amended Budget	% Increase
Salaries (100)	\$100,866,008	\$105,559,639	5%
Benefits (200)*	\$35,541,583	\$34,097,114	-4%
Professional & Technical Services (300)	\$3,762,517	\$3,689,356	-2%
Property Services (400)	\$2,586,126	\$2,504,531	-3%
Other Services (500)	\$13,303,710	\$14,285,059	7%
Supplies and Materials (600)	\$5,792,408	\$5,790,008	0%
Equipment (700)	\$313,014	\$366,571	17%
Other Objects (800)	\$106,497	\$138,585	31%
Total Operating Expenses	\$162,271,864	\$166,430,865	2.56%

Mr. Rudl explained that after adding these items back into the budget, we would have excess funds of \$500,000 which would be returned to the City to allow the City of Norwalk to meet the reduction in the cap set by the Common Counsel and set an adopted budget at \$166,430,865.

There was discussion over bringing this to the full Board now or on May 20. Mr. Rudl pointed out that approval of this now will result in future budget transfers, perhaps the presentation should be moved up to coincide with when actual funds from degree level changes are reflected in account line items 116-17. He noted that additional transfers will come to the full Board. Ms. Murray suggested to go with May 6 and include the flow of transfers will follow with the appropriate explanations.

Discuss funding for P-Tech

There was discussion on the P-tech program “Pathways to Technology” and Dr. Rivera described that it will be a ‘school with a school’ program beginning in the Fall of 2014 of 100 students lottery application based. There was discussion of the lottery elements and requirements. Dr. Rivera noted that there is a commitment from the state and he provided the following funding summary and noted Foundation Funding includes:

- \$100,000 Salary/Benefit Commitment from State of Conn. Education Commissioner
- \$75,000 Salary/Benefits Commitment from a Foundation
- \$25,000 Salary/Benefits Commitment from Corporation.

The preliminary budget is as follows

**NORWALK PUBLIC SCHOOLS
P-TECH BUDGET**

	Locally Funded	Bond Funded	Foundation Funded*	Total
Salaries & Wages (100s)				
Academy Director	\$ 97,591	\$ -	\$ 75,000	\$ 172,591
Technician Liaison	\$ 69,690	\$ -	\$ -	\$ 69,690
Teachers	\$ -	\$ -	\$ -	\$ -
Clerical	\$ -	\$ -	\$ 75,000	\$ 75,000
Guidance	\$ -	\$ -	\$ -	\$ -
School to Career	\$ -	\$ -	\$ 50,000	\$ 50,000
Total	\$ 167,281	\$ -	\$ 200,000	\$ 367,281
Professional & Technical Services (300s)				
Architectural Services	\$ -	\$ 10,000	\$ -	\$ 10,000
Building Upgrades	\$ -	\$ 25,000	\$ -	\$ 25,000
Common core/ Personalized learning PD (CES)	\$ -	\$ 50,000	\$ -	\$ 50,000
Scheduling PD	\$ -	\$ 5,000	\$ -	\$ 5,000
Professional Development	\$ -	\$ 36,000	\$ -	\$ 36,000
Outsourcing for Extended Day Learning	\$ -	\$ 75,000	\$ -	\$ 75,000
Blended Learning PD	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 201,000	\$ -	\$ 201,000
Property Services (400s):				
Online Learning	\$ -	\$ 15,000	\$ -	\$ 15,000
LCD Panels	\$ -	\$ 32,000	\$ -	\$ 32,000
Total	\$ -	\$ 47,000	\$ -	\$ 47,000
Other Services (500s)				
Transportation Services	\$ -	\$ 30,000	\$ -	\$ 30,000
Transportation Services-Summer Program	\$ -	\$ 10,000	\$ -	\$ 10,000
Total	\$ -	\$ 40,000	\$ -	\$ 40,000
Supplies (600s)				
Computers	\$ -	\$ 100,000	\$ -	\$ 100,000
Printers	\$ -	\$ 12,000	\$ -	\$ 12,000
Networking	\$ -	\$ -	\$ -	\$ -
Other Supplies	\$ -	\$ 40,000	\$ -	\$ 40,000
Total	\$ -	\$ 152,000	\$ -	\$ 152,000
Equipment (700s)				
Furniture	\$ -	\$ 60,000	\$ -	\$ 60,000
Total	\$ -	\$ 60,000	\$ -	\$ 60,000
	\$ 167,281	\$ 500,000	\$ 200,000	\$ 867,281

Dr. Rivera explained there are forums being held at the Middle School to discuss the P-tech program. There was discussion on how electives such as Band and Athletics can be accomplished with the extended day schedule. Dr. Rivera noted that this will be worked out and further information will follow.

Discuss funding and cost for after-school program

Dr. Rivera explained that the objective is to open at least two satellite centers for the After School Programs.

There was discussion about ear-marking title funding and rather than just having money come back to the district. Ms. Murray asked to have a specific plan outlined to avoid past practice of steering leftover funds to schools and to have fair and equitable allocation of funds in accordance with funding guidelines.

Dr. Rivera provided copies of his e-mail to the Board members and spoke about the commitment from the state on the funding. There was discussion of funds available and Dr. Rivera spoke about supplemental corporate funding.

It was suggested that a power point presentation be created to highlight the budget implications and key points and high level detail to present to the full Board in May.

Adjournment

**** MR. CHIARAMONTE MOVED TO ADJOURN.
** THE MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 8:15 p.m.

Respectfully submitted,

Marilyn Knox
Telesco Secretarial Services