

**CITY OF NORWALK
BOARD OF EDUCATION
FINANCE COMMITTEE
FEBRUARY 11, 2015**

ATTENDANCE: Rosa Murray, Chair; Mike Barbis, Shirley Mosby, Migdalia Rivas.

STAFF: Richard Rudl, Chief Business & Financial Officer;

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.

Review of January 2015 Financials

Mr. Rudl reviewed the report and highlighted areas that are tracking higher than the theoretical rate of expenditure:

MONTH AND YEAR-TO-DATE EXPENDITURE SUMMARY REPORT						
Jan-15						
Period: 7 of 12						
						Theoretical Rate: 58.33%
Budget	Adjusted Budget	Line Variance %	Group Variance %	January \$ Expended	January \$ Expended	YTD % Expended
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Total:	\$166,430,865	\$168,280,591		\$11,853,325	\$81,000,725	48.1%
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Mr. Rudl fielded questions and comments throughout the review and explained areas of budget variances.

He referred to the breakdown of object codes for Professional Development, substitutes, overtime and certified overtime and explained that this was a result of more expenditures earlier in the year versus time expended. He explained that he does not anticipate greater expenses than budgeted as the school year progresses.

There was discussion on how the snow days have impacted the budget, and Mr. Rudl explained that this was built in into the budget and at this time. He added that there may be slight over-budget areas, but there are other areas that are trending lower that could cover this through budget transfers.

It was agreed to have this presented at the next full Board meeting.

Review of Special Education Financials

Mr. Rudl reviewed the report and highlighted the available funds by account, year end projections and adjusted budget areas:

NORWALK PUBLIC SCHOOLS
 SPECIAL EDUCATION FINANCIAL UPDATE
 AS OF 1/31/2015

Account:	Object	YTD Actuals	Adjusted Budget	% Spent/Received	Available Funds	Year end Projection	Adjusted Budget	Available Balance
Medicaid Reimbursement	329	\$ (750,000)	\$ (750,000)	100%	\$ -	\$ (750,000)	\$ (750,000)	\$ - *
Other Professional Technical Services	330	\$ 951,422	\$ 2,188,750	43%	\$ 1,237,328	\$ 2,378,750	\$ 2,188,750	\$ (190,000) **
Special Education Tuition-Other LEAs	562	\$ 1,382,509	\$ 2,340,000	59%	\$ 957,491	\$ 2,289,025	\$ 2,340,000	\$ 50,975
Tuition + State Agencies	563	\$ 3,734,767	\$ 6,509,000	57%	\$ 2,774,233	\$ 6,597,431	\$ 6,509,000	\$ (88,431) ***
OOD Tuition Excess Cost Reimbursement	564	\$ -	\$ (2,500,000)	0%	\$ (2,500,000)	\$ (2,500,000)	\$ (2,500,000)	\$ - ****
		\$ 5,318,698	\$ 7,787,750	68%	\$ 2,469,052	\$ 8,015,206	\$ 7,787,750	\$ (227,456)

Medicaid Reimbursement Revenue:*

Collected Revenue	\$ 2,058,775
Expenses	\$ 757,376
	\$ 1,301,399
Deferred Revenue into FY 15/16	\$ (1,000,000)
Balance	\$ 301,399

There was discussion on the budget variances. Mr. Rudl explained the Deferred Revenue into budget year 2015-16 and explained variances as follows.

**Other Professional Technical Services funds - ABA Therapists contracted from a variety of agencies such as IPP, Fairfield Behavioral, Meliora. The budget was based on a need for 23 ABA Therapists at a cost of approximately \$95,000 per Therapist. Currently there is a need for 25 ABA Therapist based on Special Education PPT's. This account will require a transfer of \$190,000, which is expected to be brought before the board on 2/24/15.

Review of Special Education Financials – continued

***While the 563 account is projected to be over budget by \$88,431 this can potentially net against the \$50,975 of available funds in the 562 account. In addition any non excess funds related expenses would be charged to our IDEA grant. As students placements fluctuate we will monitor this account each month to determine if additional transfers are needed.

There was further discussion on grants and student placements. Mr. Rudl explained that as we are spending anywhere from \$40,000 per out placement to \$135,000 per out placement depending on the student. There are currently 95 students outplaced with another 12 settlements made. The average outplacement is \$68,515.

Special Education has also indicated there could be an additional 3 students outplaced that they are aware of currently. While there is still 5 months left in the year and additional placements could be made between now and then if these 3 placements materialize the estimated additional cost would be approximately \$100,000. Should this occur we would plan on an additional transfer to the board at that time. There is currently enough available unencumbered funds to absorb these costs should they materialize.

****Excess Cost Reimbursement is received in two installments. One installment at the end of February and one at the end of May. Our reported excess cost receipts should reach \$2.5 million by year end.

Recommendation for Medicaid Reimbursement change in Vendor.

Mr. Rudl reviewed the process for Medicaid reimbursement and showed the cost savings potential for a vendor change. He fielded questions and comments throughout the presentation. It was agreed to have this report presented at the next full Board meeting.

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

Respectfully submitted,

Marilyn Knox,
Telesco Secretarial Services