

**CITY OF NORWALK
BOARD OF EDUCATION
FINANCE COMMITTEE
AUGUST 20, 2014**

ATTENDANCE: Rosa Murray, Chair; Jack Chiaramonte, Heidi Keyes.

STAFF: Richard Rudl, COO; Tony Daddona, Deputy Superintendent;
Ralph Valenzisi, Director of Information/Technology.

OTHER: Shirley Mosby, BOE; Bruce Mellion, NFT; Dr. Lynne Moore, Principal,
West Rocks;

Call to Order

Ms. Murray called the meeting to order at 6:46 p.m. and stated that members in attendance were as listed above and there was a quorum present.

Budget Transfer Policy - CABE Endorsed Policies

Mr. Rudl stated that based on a prior finance committee meeting he is recommending for approval a change in the Budget Transfer Policy 3160. He gave the background and explained that after the FY 11/12 Budget Shortfall the City of Norwalk hired Blum Shapiro to study the cause of the budget shortfall and made a number of recommendations. All recommendations of this report were implemented with the exception of a revised budget transfer policy. We have review through CABE the language used based on the Connecticut General Statutes budget transfer policy for 3160 and have also reviewed other districts in Connecticut's budget transfer policies.

The current budget transfer policy does not in fact describe an amount or specific restrictions related to the Superintendent or his/her designee with regards to budget management. Instead the Norwalk Public Schools has been operating under an un-adopted but followed practice that that restricts transfers over \$1,000 and across object codes. The current Board Policy that is adopted reads:

The Board of Education may transfer any unexpended or un-contracted for portion of any appropriation for school purposes to any other item of such itemized estimate, but expenditures shall not exceed the appropriation made by the fiscal authority combined with such money as maybe received from other sources for school purposes. We are recommending for approval the following policy:

The Superintendent or his/her designee may transfer any unexpected or un-contracted for portion of an appropriation for school purposes to any other item of such itemized estimate not to exceed \$10, 000. Expenditures in each fiscal year shall not exceed the appropriation made by the fiscal authority. To allow scrutiny of the expenditures and to allow the Board to exercise its oversight responsibility, the Superintendent of Schools or his/her designee will furnish to the Board of Education monthly expenditure statements.

There was discussion if this should go to the Policy Committee and then the full Board, and it was agreed to have this go directly to the full Board for approval.

NECA Budget

Mr. Rudl presented the following report and provided detail in support of each line item:

NORWALK PUBLIC SCHOOLS					
NECA Budget					
	Locally Funded	Bond Funded	Grant/Foundation Funded*	Total	Foundation
Salaries & Wages (100s)					
Academy Director	\$ 79,052		\$ 75,000	\$ 154,052	\$50k BOR, \$25 STEPHEN PRYOR
Math Teachers (2.0 FTE)					
ELA Teachers (2.0 FTE)					
Technician Liaison	\$ 43,739			\$ 43,739	
School to Career				\$ 8,890	
Total	\$ 423,047	\$ -	\$ 75,000	\$ 206,681	
Fringe Benefits					
Fringe Benefits			\$ 25,000	\$ 110,000	\$25k Stephen Pryor
Social Security Taxes			\$	\$ 10,000	
Total Benefits	\$ 95,000	\$ -	\$ 25,000	\$ 120,000	
Professional & Technical Services (300s)					
Building Upgrades				\$ 290,000	
Outsourcing for Extended Day Learning/Summer Program	\$ -		\$ 71,250	\$ 71,250	BEA FOUNDATION
Common core/ Personalized learning PD (CES)			\$ 40,000	\$ 40,000	FIRST NIAGRA
Summer Program			\$ 10,000	\$ 10,000	FIRST NIAGRA
Total	\$ -	\$ 290,000	\$ 121,250	\$ 411,250	
Other Services (500s)					
Transportation Services				\$ -	
Total	\$ -	\$ -	\$ -	\$ -	
Equipment (700s)					
Computers - Laptops		66,000		\$ 66,000	
Copier/ Network Printers		8,000		\$ 8,000	
Desktop Computers		28,800		\$ 28,800	
Printers		12,000		\$ 12,000	
Peripherals		9,000		\$ 9,000	
Laptop charging Stations		9,000		\$ 9,000	
AV/ Recording		13,000		\$ 13,000	
Media Server		4,000		\$ 4,000	
Furniture		25,000		\$ 25,000	
Student WorkCenters		4,800		\$ 4,800	
LCD Panels and Teacher Stations		32,400		\$ 32,400	
Total	\$ -	\$ 212,000	\$ -	\$ 212,000	
Other Objects (800)					
Textbooks	\$ -		\$ -	\$ -	
Other supplies	\$ -		\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	
Total	\$ 518,047	\$ 502,000	\$ 221,250	\$ 949,931	

Mr. Valenzisi gave an overview of how the project came about and provided the rationale for a working budget in response to an opportunity to capitalize on the opportunity for state and foundation funding. He explained that based on the enrolment of 92 there is need for additional funding for four teachers. Mr. Rudl explained that while funding is in the Capital Budget, the Finance Department is working on absorbing the program into the Operating Budget. He added that the final grant and bonding numbers from the state are preliminary and they anticipate the need for approximately \$100,000 for additional funding from the current year Operating Budget.

He fielded questions and comments from the Committee members and members of the public in attendance. A discussion ensued on how to make the program a success and the reallocation of budget dollars to provide support of the personalized learning plan process for students. It was suggested that a contract

He provided detail on the relationships arrangements with NCC and IBM and described the Work Place Learning Liaison position and mentor placement programs. There were suggestions on increasing the number of mentor visits from the current plan of three times a year to a more frequent schedule.

He gave a preview of the student profile and education support services plan. There was discussion on the per pupil allocation for textbooks and curriculum materials, teacher supplies and computers. He stated that a formal report from the Program Director, Karen Amaker is in development and would be provided to the Board.

2013-14 Year End Financial Results

The fiscal year 2013/2014 adjusted operating budget was approved at \$164,318,746. We have tracked the financial progress of the Norwalk Public Schools on a monthly basis and reported those financials to the board each month. At the end of FY 2013/2014 we have spent \$161,193,241 leaving us with a positive variance of \$3,125,505 against the adjusted operating budget. There are some expenses that relate to FY 13/14 that due to timing reasons will not be expensed until later in the year. These items will need to be set aside as a reserve for encumbrance and will be brought to the Board of Estimate and Taxation for approval. These items include:

- \$64,123 for NFEP tentative contract.
- \$159,823 for Severances elected to be paid in January 2015.
- \$650 for June unemployment bill.

Total: \$224,596

After factoring in the reserve for encumbrance the year end surplus for the Norwalk Public Schools is \$2,900,909 or 1.8% of our local operating budget. The factors that resulted in this surplus include:

- The Norwalk Public Schools local operating budget benefited from unanticipated grant funding that allowed for the funding of 4 Elementary Teachers after the adoption of the FY 13/14 budget. Total savings approximately: \$200,000.

- Vacant positions (i.e. Chief Operating Officer, Chief of Human Resources, Director of Facilities, Purchasing Coordinator, Teacher Positions, Science Specialist, Speech Pathologists, Aides) that were either not filled during the school year or filled sometime during the school year which resulted in salary savings in the operating budget. These savings are also partially offset with the deficits that ran in our long-term and daily substitute accounts this year.

Total savings approximately: \$1.5 million.

While these positions remained vacant, we generated savings against budget throughout the year, which accumulated to \$1.5 million. We are in the beginning phases of implementing through the use of MUNIS Technology Resources Department we can begin to fully implement a position control system, which has not been in place, which is a much more labor intensive and paperwork intensive environment. Having position control will provide precise information about the number of employees by location and title and the actual cost vs. budget for within Norwalk Public Schools. That in turn will generate more “real time” financial data. Having a technology enhanced Human Resources Department that works closely with the Business Office will further enhance our financial capabilities as it relates to positions.

- During the development of our annual budget we make assumptions based on retirees in various bargaining units based on historical trends. These assumptions help support our budget for severance payouts for NFT, NASA, ADMIN, ESG, NFEP, CUST, NURSES, and TECH.
 - o During the FY 13/14 budget we anticipated 30 NFT Retirees with an average severance of \$35,000 each, which would be for those NFT members with more than 22 years of service. We received 25 NFT Retirees

Mr. Rudl outlined the reasons behind the \$2.9 million surplus in the 2013-14 operating budget:

- \$1.7 million savings derived from vacant positions and an unexpected grant that funded four teachers
- \$620,000 less than expected was spent due to retirements
- A purchase order freeze netted \$500,000 in savings
- \$115,000 saved by utilizing maintenance staff more effectively and by issuing more bids for facility-related items

Mr. Rudl said the vacant positions were partially due to Dr. Rivera’s desire to do due diligence and meet with almost every candidate for a major position. A number of teachers retired, and the process took time.

Mr. Rudl outlined that state statutes allow the board to carry over 1 percent of its total budget as a surplus to the next year, provided that Norwalk approves.. This would allow the board to carry over \$1,643,187 into the current fiscal year, he said. The rest of the money would have to go through the Board of Estimate and Taxation as a special appropriation for the Board of Ed.

Ideas for what the money might be spent on have been crafted with Rivera’s strategic plan as a guide, Rudl said, stressing that sound fiscal policy requires that it must be for one-time expenses.

First on the list are two fulltime math teachers and two fulltime English Language teachers for NECA, a cost of \$313,000. Director of Technology and Innovations Ralph Valenzisi said that the one financial miscalculation that has gone into the establishment of the innovative first-in-the-state P-Tech (Pathways in Technology) academy is a shortfall of teachers.

But he also said that, if the academy hadn't been established, there would be more teachers needed due to the number of students that we have. English and math classes at Brien McMahon would be completely packed if there was no academy, requiring two or three teachers, Valenzisi said.

Next year, those P-Tech teachers are part of the operating budget, and capital renovations begin with the Special Ed Pre-K center, which was recommended in the Capitol Region Education Council (CREC) report presented to the board last year. If the Board uses surplus money for the center instead of going through the capital budget process with a request, the center could open in 2015 instead of 2016, R. Mr. Rudl said a lot of planning needs to go into the center as the specific needs of the program need to be hashed out. It's not a very easy program to develop and implement so it takes a lot of time and detail, including a cost benefit analysis.

Another capital renovation would be a physical change to the Human Resources Department to make it compliant with state law, Rudl said. This was recommended in the Blum Shapiro study of the HR department, as there are many privacy concerns in HR and the office needs to be redesigned, Rudl said.

Some of the surplus money would go to complete the renovations and facility improvements at Norwalk High School to make it ready for NECA, Rudl said.

And, last in the capital renovation category, an architectural firm would figure out options for Briggs High School in accordance with the Briggs Turnaround Plan, Rudl said. Briggs Principal Marie Allen has already been helping to research options as potential alternative sites for the school have been studied, Rudl said. Many ideas have not worked out so Rivera would like an architect to study the existing school and suggest options, Rudl said.

The total hoped for expenditure for capital renovations is \$1,075,000.

Other areas include: \$75,000 investing in strategic plan. Another \$130,000 would go to technology and systems investment, a more automated HR system that would allow administrators to keep track of open positions in real time, rather than the laborious paper system currently at use. Last on the list of the \$1.6 million the board is allowed to carry over would be \$50,000 to accelerate the plan to replace equipment and a preventative maintenance program.

The Board can request up to \$1.3 million in a special appropriation - \$500,000 for paving and concrete repairs at the schools. The Board has been allotted \$100,000 over the past two years of capital budgets to repair the parking lots and sidewalks at Norwalk's 19 schools and there is much work to do.

Ms. Murray referred to the cuts that were made two years ago and said there must be something that we have taken from these schools that could be part of this. She explained that the items that we are touching here with this, doesn't speak to education that we have in place and what is going on in these buildings which we have shortchanged, and here is an opportunity that I don't see us utilizing.

Ms. Murray suggested that money be restored to the secretaries and NFEP hours be put back. Mr. Rudl mentioned that this is being discussed in Union negotiations.

Mr. Rudl said the cuts had been mostly to personnel and those aren't the kinds of things you should use a one-time surplus for. He explained that reoccurring expenses actually become a double charge when added to the budget the following year.

Mr. Mellion suggested spending money on band uniforms, which wouldn't be a recurring expense. But Rudl said that would set up an expectation that the board would support the bands financially. He stressed that the plan he laid out was in accordance with Rivera's strategic plan.

A discussion ensued over modifications to the P-Tech program to provide support – both academic and guidance counselors and efforts to reach out to parents. He suggested a contract similar to a private school document to establish and maintain parent engagement efforts and support.

Ms. Mosby suggested that money be spent on providing academic support to the students and teachers at P-Tech with additional guidance counselors and special education services.

Ms. Murray requested this be sent by email to all board members looking for feedback in advance of the Sept. 2 Board meeting, where a plan would be approved. Mr. Rudl noted that it will then go to the Board of Estimate and Taxation on Sept. 8.

Adjournment

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

The meeting was adjourned at 8:45 p.m.

Respectfully submitted,

Marilyn Knox
Telesco Secretarial Services