

**CITY OF NORWALK
BOARD OF EDUCATION
FINANCE COMMITTEE
OCTOBER 28, 2015**

ATTENDANCE: Rosa Murray, Chair; Mike Barbis (5:45 pm) Bryan Meek, Migdalia Rivas.

STAFF: Thomas Hamilton, Chief Financial Officer, Dr. Steven Adamowski, Superintendent

Call to Order

Ms. Murray called the meeting to order at 5:00 p.m. and stated that members in attendance were as listed above.

*It is noted that while public comments was not an item on the agenda Ms. Murray allowed comments throughout the meeting from a member of the public in attendance, Mr. John Mosby. There was dialogue and an exchange of comments from a Board member that is not captured in the minutes.

Proposed Uses of FY 2014-15 Surplus Funds under C.G.S. 10-248(a)

Mr. Hamilton reviewed the recommendation for uses of last year surplus funds. He explained the following:

- The Board of Estimate and Taxation recently approved the Board’s request to carry-over surplus funds from fiscal year 20 14-15, as permitted under State law, C.G.S 10-248(a).
- The surplus funds from last year that were carried over total \$573,607. In order to open all school facilities for the FY 2015-16 school year, the District needed to incur certain capital expenses that were not included in the FY 20 15-16 operating budget.
- Recommending that the majority of the surplus funds be used to cover these unbudgeted capital expenses. These expenses are itemized below:

Description	Amount
Portable Classroom Relocation - Jefferson School	\$ 125,000.00
Jefferson Chiller Replacement	\$ 135,000.00
VAT Abatements – Ponus Ridge MS, Tracey ES & Silvermine ES	\$ 73,000.00
Rowayton School Library Floor replacement	\$ 15,000.00
NHS Gym Floor replacement	\$ 15,000.00
Replacement doors – Jefferson School	\$ 10,000.00
Total Capital Building Repairs/Improvements	\$ 373,000.00

The Board previously authorized the use of a portion of the surplus to support the implementation of the NWEA District Assessment pilot. We have identified funding available in the IT Department budget to cover a portion of the FY 2015-16 cost, but \$80,000 is needed to cover the balance of the cost. The remaining balance of \$ 120,607 will be reserved to cover special education out-of-district tuition.

ACTION REQUESTED:

Approve the proposed use of FY 2014-15 carryover funds, with \$373,000 allocated to various capital building improvements itemized above; \$80,000 allocated to the NWEA District Assessment pilot and \$120,607 allocated to special education out-of-district tuition.

There was discussion over the following recommended improvement projects:

Proposed Use of CGS 10-248a Carryover Funds:	Account Number	Amount
Portables Relocation - Jefferson School	16026200-440-60	\$ 125,000.00
Jefferson Chiller Replacement	16026200-500-60	\$ 135,000.00
VAT Abatements - Ponus, Tracey & Silvermine	16026200-450-60	\$ 73,000.00
Rowayton Library Floor replacement	16026200-450-60	\$ 15,000.00
NHS Gym Floor replacement	16026200-450-60	\$ 15,000.00
Replacement doors - Jefferson	16026200-450-60	<u>\$ 10,000.00</u>
 Subtotal - Capital Repairs		 \$ 373,000.00
 Out-of-District Tuition	15612800-330-56	 \$ 120,607.00
 NWEA District Assessment Pilot Program	15410000-330-54	 <u>\$ 80,000.00</u>
 TOTAL		 \$ 573,607.00

There was discussion on Jefferson Science Magnet Elementary School and needed improvements. Dr. Adamowski outlined that there are many issues that affect renovations plans, and Jefferson does rank high as a school in need of building improvements. He noted that the district has preliminary results of the Facilities Utilization Study and recommendations are forthcoming.

Mr. Hamilton explained that there is no appropriation as part of the capital budget but he outlined the 5 year CIP (Capital Improvement Plan) and anticipated design work for Jefferson at \$500,000 and \$8million for district construction/renovations in 2017-18.

There was further discussion on how appropriations are done for capital budgeting and carry-over practices for levels of expenditures from \$200-\$250,000.

Mr. Hamilton provided an overview of the historic spending for school renovations from 2002-2006 with \$70 million along with \$60 million for the renovations at Brien McMahon High school.

Review and Discuss 2017-17 Budget Development Process.

Dr. Adamowski prefaced the decision and described the background of the budget process changes. Mr. Hamilton delivered the following presentation and provided an outline of the slides:

FY 2016–17 Two–Stage Budget Development Process

▶ **Stage 1:**

- Finance & Central Office departments prepare current services budget:
 - Salary projections based on settled labor contracts
 - Fringe benefit calculations/projections based on labor contracts and health insurance trend
 - Contractual adjustments to reflect multi-year vendor contracts (transportation, etc.)
 - Inflationary and trend adjustments, as necessary, to non-wage accounts including special education out-of-district tuition and professional services
 - District-wide instructional initiatives (NWEA Assessment Management, tiered interventions, appropriate use of Alliance District funding to provide services to address achievement gap, etc.)



FY 2016–17 Two–Stage Budget Development Process

▶ **Stage 2:**

▶ **School–Based Budget Development:**

- 1/21/16: SBB budget packages sent to school principals with per student budget allocation
- Schools create School Governance Councils to provide input on proposed school budget
- Principals prepare individual school budgets and return to Finance Department by 3/4/16
- Board reviews individual school budgets (April 2016)
- City adopts final budget (May 2016)
- Board and individual schools reconcile final budget (May/June 2016)

Student Based Budget

- ▶ **Defining the eligible pool of school-resources:**
 - **Items remaining outside the SBB Formula**
 - Categorical Funds (Title I, etc.)
 - Out-of-District Tuition
 - Out-of-District Transportation
 - **Items remaining budgeted at the District:**
 - Central Office Support Team
 - Business/Finance Office
 - Information Technology
 - Facilities
 - Transportation
 - Special Education & ELL
 - **Phased implementation possible**

NORWALK PUBLIC SCHOOLS
FY 2016-17 OPERATING BUDGET CALENDAR

Central Office Departments receive budget request packages: Superintendent Chief of School Operations Chief Academic Officer/Instruction Chief Talent Officer/Human Resources ELL Program School Climate Coordinator Pupil Personnel Services/SPED Finance Technology, Innovations & Partnerships Testing & Records Facilities Transportation & mailroom	October 23, 2015
Central Office Departments return budget requests	November 13, 2015
Board of Education retreat	11/12/15 – 11/14/15
Finance Committee workshop on budget guidelines	11/18/15
Finance/Central Office review of budget requests	11/16/15 – 11/25/15
Board budget workshop session on budget	12/1/15
Superintendent presents recommended budget to Board of Education	12/15/15
Board of Education reviews Superintendent's budget proposal	1/4/16 – 1/8/16
Special Board of Education meeting to approve budget	1/12/16
Approved BOE budget request is forwarded to City Finance Director	1/15/16
Superintendent & CFO meet with City Finance staff to review Superintendent's requested budget	1/20/16

Student-Based Budget Packages sent to school principals for development of student-based, school budgets	1/21/16
Presentation of Board approved budget to Common Council Finance Committee	TBD (Febr
Common Council adopts expenditure cap	2/23/16
Principals receive input from School Governance Councils and return budget request to Central Office	On or befo
Board of Estimate & Taxation meets with BOE to review BOE budget request (tentative date)	3/9/16
Public Hearing on Operating Budget – Concert Hall	3/16/16
Board of Estimate and Taxation adopts tentative budget	4/4/16
Board of Education reviews School-based budgets	4/5/16
Board of Estimate and Taxation adopts final budget	5/2/16
Superintendent and CFO reconcile budget to final BET approved budget – revise per student allocations if necessary	5/13/16
School principals revise Student Based Budget, to meet revised allocations, if necessary	5/23/16
Board of Education adopted the final FY 2016-17 budget	6/7/16

Dr. Adamowski outlined how funding will follow students. There was discussion on magnet school student allocation and funding costs that are worthy of Alliance Grant and Title I appropriations. Dr. Adamowski explained the strict guidelines and how free/reduced percentages determine the funding allocations. He then described the funding needed for interventions and those are not supposed to be using Title I funds.

Mr. Meek requested analysis of the current practices and how this will compare to Student Based Budgeting and prior formulas and ratios of student/teacher with funding comparisons.

Ms. Murray asked that public workshop sessions be added to the above timetable so that parents will have an opportunity to comment and to have in depth input into the budget development recommendations in addition to those that are compiled by the Governance Councils.

Ms. Rivas noted the importance of including the Spanish speaking community and to have translators at budget presentations.

Review of September 2015 Financials

Mr. Hamilton reviewed the report and highlighted areas that are tracking at the theoretical rate of expenditure. He fielded questions and comments throughout the review and explained areas of budget variances.

2015-16 Financial Expenditure Report—continued.

Mr. Hamilton 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.

Ms. Rivas questioned the object code and asked for a listing of the codes to see if there could be more complete descriptions. Mr. Hamilton explained that the codes are defined by the state and he would check on Munis to see if he could print out a list of object code definitions.

Dr. Adamowski clarified that this would be a cumbersome task and suggested that Ms. Rivas look on the state Dept of Education website for a state guideline of financial tracking and regulatory code descriptions.

There was further discussion on establishing School Governance Councils and the impact this will have on student-based budgeting and school building allocations.

Ms. Rivas asked that minority parents be included in the elections for School Governance Councils, and asked that Mr. Barbis follow this, as she and Ms. Murray will not be on the Board after next week's elections.

The meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Marilyn Knox,
Telesco Secretarial Services