

Part 2: COMMON COUNCIL QUESTIONS for FY 14/15 BUDGET

1. Page 97: 124, Custodians' Salaries: We were not sure what custodian floaters are. Nor were we able to figure out why their cost has increased from \$60,388 (12-13), to \$186,487 (current), to \$299,317 for 14-15. Do these increases have something to do with contract provisions, which have reduced the number of full-time custodians?

Floater are temporary custodians who are used to fill existing work load and alleviate overtime, but are not permanent employees eligible for benefits or FT status. As Norwalk Public Schools evaluates the option of outsourcing custodial work through attrition, floaters will continue to be needed until enough retirements take place and the Board votes on moving forward with this proposal. Floaters were put in place to cover two vacancies at NHS that will not be filled until a decision is made on outsourcing custodial work. The increase you see in custodial salaries for Floaters in the Facilities Department is mostly offset by a decrease in salaries at NHS, shown on page 21. Outsourcing by attrition is specifically permitted by the new contract between the BoE and the custodians union.

2. Page 105: 124/812, Custodians: The cost of custodians is going up a few hundred thousand per year. We figured that the increasing cost of the "floaters" would be matched with a decreasing cost of full-time custodial staff. But that does not seem to be the case. Why are the salaries of both the floaters and the full-timers increasing at these levels?

Salaries are increasing as a result of a 2% GWI plus step increase, which is approximately a 3.2% total increase, or about \$146,000. The total cost of Custodians, object 124, is \$160,000. Last year, we had a number of custodians who did not earn their full salary due to missed work days or workers' compensation claims. We budget salaries based on the employee working a full fiscal year.

3. Page 105: 122/810, Aides: The salaries of instructional and special education aides seem to be increasing roughly half a million per year. While we understand what happened between 2012-13 and currently, why are they projected to increase another half million in 14-15?

There is an unsettled contract with NFEP; the current placeholder for this contract within the budget is 2.5%. Additionally, 6 classroom aides were added during the FY 13/14 year with surplus money to address class size issues, which added \$185,000 to the base budget. This was approved by both the Board of Estimate and Taxation and the Board of Education. There are also 2 classroom size aides in the FY 14/15 budget to address class size needs, adding \$50,000 to the budget. This is part of the Board's effort to recover from the major reduction in teachers and aides in 2012.

We have also reclassified an expense from Overtime to Aides, which are the aides who ride the bus for special education students. In the past this was coded to Overtime, as this was pay over and above their typical 27.5 hour work week. However, it is not time and a half or double time pay, which is what the Overtime account typically represents. To better represent what this

expense truly covers, we have reclassified it into the Aides line item in transportation during the fiscal 13/14 year and will carry that reclassification forward in 14/15.

4. Page 108: 200-212/830, Fringe Benefits: Some of us were surprised that these costs are still increasing, even though the projected increase for 14-15 is appreciably smaller than the increase between 12-13 and current. It has been the policy of the city and the BOE to reduce these costs (or at least reduce the increases) via Health Saving Accounts, increased premium payments and co-pays, etc. Could you provide a very brief explanation of why they increased by about 6 million between 12-13 and current, and are still projected to increase by another million next year?

We have seen a significant decrease in cost growth by transitioning employees from PPOs to HSAs in our union contracts, and by requiring higher premium payments and co-pays (which are *higher* for most BoE employees than for most City employees). Our trend rate has declined from an increase of 10% per year to a roughly 4% increase in insurance projected for next year (the 4% includes \$250,000 in cost increases due to the Affordable Care Act). The insurance benefits are based on projections from our insurance consultant Lindberg and Ripple. Our calculations show that without these contractual givebacks negotiated in the last 18 months, our budget request this year would have been for a 5.0% increase, as opposed to the 3.6% increase actually requested.

While HSAs have reduced the trend rate and we have seen our increases significantly reduced, they will not create a reduction in the base budget, providing we continue to carry a full 4% margin in the operating budget.

Additionally, note that the sizeable increase in Fringe Benefits from FY 12/13 to FY 13/14 reflects the insurance shortfall that was repaid last fiscal year by the Board of Education.

5. Page 109: 330/851, Other Professional Technical Services: This is a relatively large yearly expense that covers a lot and seems to increase each year by a few hundred thousand dollars. We wondered if a portion of these expenses are reimbursed. If yes, could you break this line item down regarding the amount of reimbursement (if any) for these various expenses?

The main increase in object 330, "Other Professional Technical Services," is from special education consulting services. As more children are classified as special education and placed out-of-district, there is an increasing financial burden for consultant services that go along with these students. About 93% of object 330 relates to special education and health services, with the remaining 7% including costs for the NPS's annual audit, ED001 preparation, board minutes, Questar DRP Scoring Fees, and HR Services.