

COMMON COUNCIL QUESTIONS for FY 14/15 BUDGET

1. Page 104: 100/829, Degree Level Changes. While I understand how this line item works, I am somewhat perplexed by the item at the bottom of this page, Object 116: Why is it necessary, why is it separate, and why is it so large, an additional \$175,000 added on to the original \$375,000. If I remember correctly, for a number of years this entire line item was about \$275,000. Now it is much higher – over half a million if both lines are added together.

This has been the same budgeted figure for the last four years. \$375,000 for Degree Level Changes during the new fiscal year budget and \$175,000 for Degree Level Changes from when the budget is constructed and the final reconciled budget is adopted. During last year's reconciliation, we exceeded the \$175,000 which represents degree level changes after the budget is adopted and June 30th, and needed to add additional funds during reconciliation. Currently we have drawn down in 2 months over \$40,000 of the \$175,000 from Degree Level Changes that have been processed. In fact during the current year we have over \$300,000 of processed degree level changes. As you know these are mandated payments per the teachers union contract. The contract negotiation reopener this summer will allow the Board to address this cost item.

2. Page 104: 101,118/820, Certified Substitutes. I understand the need of substitutes when teachers are at professional development activities, etc., but I don't recall any line item that deals with the need for substitutes when teachers are out sick. Did I miss something, or is it called something else?

Object code 101 represents Long Term Substitutes who are paid \$233 a day, which is a contractual obligation.

Object 118 represents student interns, daily subs paid at \$90 a day and teachers covering teachers, which is a contractual obligation.

3. Page 104: 113/893, Principals and Assistants. Unless the grants are open-ended, I have no idea why the Briggs Principal and Curriculum Instructors/Site Directors have been moved to the grants sections. Does this have something to do with special state funding for Briggs and the implementation of Common Core?

The Assistant Principals (or Common Core Instructional Site Directors, as they are being redesigned for next year) are being moved out of the local fund and paid through the Alliance Grant. We have approximately \$600,000 of carryover funds in the Alliance fund from freezing the existing grant that will be available next year and have changed the usage of this fund from hiring coaches to using it for Common Core Instructional Site Directors. The carryover funds will only be available to us in the FY 14/15 school year, and the funding sources for the Common Core Instructional Site Directors will have to be re-visited for the FY 15/16 budget.

4. Page 105: 117/806, Teachers. What is Staff Turnover Credit and why is it over half a million? But more importantly, based on past experience it seems that the inclusion of 4 reserve teachers is a stretch (with total enrollment fairly flat, plus the allocation of students pretty much similar to past years); something that will probably disappear during the reconciliation process. I understand the difficulties of putting together a large budget without a contingency fund (kind of impossible), but isn't there a better way to deal with the yearly "reserve teacher" debate?

Staff Turnover Credit represents the differential between the salaries of existing teachers who have submitted their paperwork for retirement at the end of the school year and the proposed salary of a new hire to replace these retired NFT members. This differential represents a savings, which is why the credit is budgeted. We currently have 16 names already submitted and approved by the BOE for retirement either on or before June 30, and have budgeted an anticipated 18 NFT retirees by June 30. The average savings is nearly \$29,000, with a replacement teacher targeted at grade 6, step 3, unless teaching science or math (those positions typically come in at a higher grade and step).

The proposed reserve teachers are based on the enrollment projection by grade and by school at each elementary school by our demographer-supplied data. Given the contractual class size goals we have with NFT of 22 students per class K-2 and 24 students 3-5, we are projected to exceed class size goals in 6 grades, causing the need for reserve teachers and aides. While total enrollment is relatively flat with approximately 100 more students projected, we will need additional teachers based on where students will be enrolled to adhere to class size goals in a few elementary schools (Kendall, Jefferson, Marvin, Rowayton). A class-size report was developed based on the demographer's projection in accordance with the class size contractual obligation. In FY 13/14, we had roughly the same projected enrollment increase and needed 4 reserve teachers.

We have requested \$100,000 for a facility utilization study in our redesign funds account object 150, which we believe will be an investment in utilizing our existing facilities more effectively and help alleviate the constant need for reserve teachers if enrollment trends in a similar manner.

5. Page 106: 127/815, Other Non-Certified. Just curious. How did this go from \$907,352 for the "crunch" year 12-13, to less than \$400,000 today?

Object 127 includes security guards. During last year's budget (FY 13/14) Norwalk Public Schools received additional Priority School funding. It was decided last year during reconciliation to fund these security guards out of Priority Schools. So while the expense appears lower, it is because the funding source for these employees has shifted to grant funding.

6. Page 106: 133/822, Salaries – Workshops. How does this rather small line item differ from the previous mentioned line item on substitutes? Also, I still don't understand the emphasis on

substitutes for workshops instead of the much bigger and costly line item, substitutes for illness. I am sure I'm missing something here.

Salaries -- Workshops are largely a per pupil expense, which are designated by the individual school principals. Per pupil allocations are based on the principal's discretion on the needs of their school and staff. This account represents the cost of workshops and not substitute coverage.

7. Page 107: 137/827, Certified Hourly. Why do you mix in one account expenditures for homebound instruction, the BOE match for Adult Education, and after school activities at the middle schools? Are the costs of each of these programs somewhere else in the budget? This line item does not allow for separating the costs of each one. (I checked the location section and did not see the costs of middle school after school activities.)

Expenses are not mixed but coded by object, org and project, but when looking at a summary, they roll up into the same object code. The cost of MS intramural is shown in each Middle School object and org.

Adult Ed:	\$216,727 in object 137
MS Intramurals:	\$24,000 in object 134
	\$15,000 in object 300
	\$4,656 in object 510
	\$2,800 in object 690
Total:	\$46,456 per Middle School

8. Page 107: 150, Redesign Implementation. This is going from 0 in the current year to \$870,000, which is, of course, is a lot. I apologize if this is explained somewhere else, but what is going on here? What is the purpose and the goals of the redesign of HR, Special Education, and Curriculum Support?

This is a new line item at the request of the Superintendent. These funds are being earmarked to advance the recommendations of the CREC report for special education, which include a more centralized PPT process, enhancing the special education supervisory positions to help reduce the need for out of district placements, and to look into the development of a much stronger in-house special education program. HR redesign funds are being budgeted to help enhance a struggling HR department. We plan to have an outside firm, Blum Shapiro, study our HR department and make recommendations in the current fiscal year, and the expectation is that we will need to enhance staffing and technology in the HR department. Currently Norwalk Public Schools operates with a significantly smaller Human Resources Department than other districts in the area (Stamford and Danbury as an example) and has struggled with recruitment, staffing, labor relations and processing of HR related work. This has been a result of

budget cuts over past fiscal years and these cuts have significantly impacted the district over time. It is the Superintendent's intention to turn HR into a strategic resource for NPS, so we can (i) enhance the quality of hiring for principals, teachers and other staff and (ii) dramatically improve our evaluation process for existing staff (which is presently very weak). Additionally, funds are being earmarked for a facility utilization project to better utilize our buildings and achieve class size goals in outer years.

9. Page 109: 300/850, Purchased Professional Tech. Services. It states that middle school after school activities are included here. I thought they were included in #7 above. How are these two line items different?

MS intramural expenses are paid out of objects 137, 300, 510, and 690 based on expenses that relate to the programs. Object 137 only represents funds paid to employees, but not other program costs. The cost of the intramural program is shown below:

**MS Intramurals: \$24,000 in object 134
\$15,000 in object 300
\$4,656 in object 510
\$2,800 in object 690
Total: \$46,456 per Middle School**

10. Page 111: 440/883, Rental of Buildings. I didn't know that we still were using portables at five schools. Is that accurate? Also, how many portables are we leasing in all; \$271,309 seems a little low.

We have rental expenses at:

**Jefferson, totaling approximately \$110,000
Rowayton and Naramake, totaling approximately \$60,000
Ponus and West Rocks, totaling \$75,000
Storage Containers rentals of approximately \$26,000**

11. Page 113: 510/885: Student Transportation Services, Public. Seems that this has been going up about half a million a year. That seems rather steep. Are we locked into a contract, when did we last bid for transportation, are there any plans to at least limit the yearly increases?

The causes for the increase in costs are a 4.5% contractual increase to First Student, the need for 5 additional vans for out-of-placement students in special education, and the need for 1 additional school bus due to the Avalon Development in Norwalk. The need for the additional vans represents \$230,000 of additional cost, the 1 new bus represents \$75,000 of additional cost, and the contractual increase represents \$248,000 of the increase.

FY 14/15 is the last year of the First Student contract. We approached First Student about the possibility of extending the contract two years in exchange for a lower contractual

increase, but there were no material savings to be found by doing so. As a result, we will go out to bid in the new school year.

12. Page 114: 562-563, Special Ed Out of District Tuition. Still very high, still going up yearly... despite all the talk about somehow getting a handle on the problem. Has there been talk about upfront expenditures, costly in the short term, but in the long run able to drastically reduce our costs?

We are seeing an increase in the number of students being out placed for special education. These out placements have placed a significant financial burden in these out-of-district tuition accounts as well as consulting services. This is one of the reasons why we have requested nearly \$250,000 in redesign funds to look at how we can better operate the special education department in the outer years. Typically we see tuition and service increases anywhere from 3-5% on top of additional students being out placed. Currently there is no program in place to bring these students back, and until a program is developed, this account will represent a significant financial constraint that is mandated by Federal law.

In additional, any program developed would create sunk costs, as we would have to pay for the program development and pay tuition costs until the students are brought back. Students who are out-placed do not automatically come back to the district once a program is developed, and can fight any push to bring them back, which creates a financial constraint on special education legal fees. Depending on the program, it can range anywhere from \$200,000 to \$950,000 of sunk costs on top of out-of-placement tuition costs. We are looking at the possibilities of creating an in-house program in Norwalk, but that would not be ready for the FY 14/15 budget year. It is an item that was flagged in the Superintendent's strategic plan for the next two fiscal years. Once we transition to a better in-house system, long-term costs may be reduced significantly. But during the transition period, costs will be higher. The BoE has been reluctant to move toward this long-term cost-saving structure in the past because budgets have been insufficient to get us 'over the hump.' In the long run, both the Board and taxpayers will be better off if we move forward with this initiative.