

## I. INTRODUCTION

On May 13, 2021, the Board of Estimates and Taxation approved the City of Norwalk FY21-22 Budget which included \$208,468,385 appropriation for Norwalk Public Schools. On June 15, 2021, the Board of Education approved this FY21-22 Final Reconciled Operating General Fund Expenditure Budget.

The operating budget is the financing required to operate the schools and district each year. Board of Education operating budgets in Connecticut are structured into eight “objects,” which are: Salary, Benefits, Contracted Services, Property Services, Supplies, Purchased Services, Equipment, and Other. The state gives Boards of Education autonomy over the management of their operating budget, which empowers districts to be responsive to changing conditions in the course of a year on behalf of students and the schools.

This budget reflects a flat year over-year City funding from the FY21 Approved Budget and is \$7,806,656 (3.8%) less than the final Board of Education request of \$218,275,401. To make up the funding shortfall, the Board of Education was directed to use Federal Elementary and Secondary School Emergency Relief Funds (ESSER Funds) of the Coronavirus Aid Relief, and Economic Security (CARES) Act. Additionally, the Board of Education Approved Budget includes \$30,810,868 in various grants and a \$6,408,882 Food Services Budget.

This monthly report provides a high-level year-to-date analysis of the FY21-22 Approved Operating Budget. FY22 Actuals are based on unaudited financial statements and exclude adjustments that may be required by the auditors later. The General Fund is the Board of Education’s primary operating fund and accounts for over 83.7% of total Board of Education spending. This report includes summary of all fund categories and provides a variance analysis of major General Fund expenditure categories.

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## II. FUND OVERVIEW

### General Fund

The General Fund comprises the general-purpose functions of the Board of Education. The BOE General Fund budget of \$208.47 million and accounts for 83.7% of all BOE operating expenses and is funded through the City’s of Norwalk’s General Fund. Salaries and Benefits account for 83.7% of the FY23 General Fund Budget.

The \$101.06 million FY21-22 year-to-date expenses represent a 1.3% increase the FY20-21 year-to-date expenses of \$99.73 million. The variance drivers are discussed in Section III.

### Grants & Program Fund

Grants are reported in a separate fund, and are exclusive of local taxpayer funding. The Grant & Program Fund includes eligible roll over multi-year grant funds from the prior year. Historical grant funding sources include Federal (30%), State (69%) and private sector donations/enterprise fee sources (1%). The FY21-22 Approved Grants & Programs budget was \$34.21 million. As a result of the COVID-19 pandemic, the federal government provided additional funding to school districts through the Elementary and Secondary School Emergency Relief (ESSER I & II) grants funded through the CARES Act) and ESSER III grants funded through the ARP Act. The \$20.39 million FY21-22 year-to-date expenses

represent a 58.0% increase over the FY20-21 year-to-date expenses of \$12.91 million. The variance drivers are discussed in Section III.

**Food Services Fund**

The Food Services Fund accounts for all activities conducted by the Food Services Department, which provides meals to students. The FY21-22 Approved Food Services Budget is \$6.41 million. The Food Services Fund includes all revenues and operating

expenses associated with providing high quality, nutritious, low cost meals. This fund also receives revenues through meal charges and state and federal subsidies that are determined annually.

The \$3.58 million FY21-22 year-to-date expenses represent a 23.0% increase over the FY20-21 year-to-date expenses of \$2.91 million. The variance drivers are discussed in Section III.

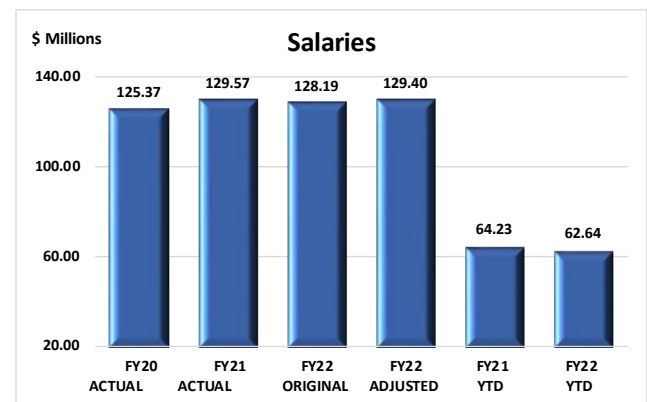
**III. YTD VARIANCE ANALYSIS**

GENERAL FUND								
	FY20 ACTUAL	FY21 ACTUAL	FY22 ORIGINAL BUDGET	FY22 ADJUSTED BUDGET	FY21 YTD ACTUAL	FY22 YTD ACTUAL	% BUDGET SPENT	YoY VARIANCE
Salaries	125,372,470	129,568,670	128,188,410	129,396,227	64,229,614	62,644,709	48.4%	-2.5%
Benefits	30,652,667	32,158,726	37,128,026	36,053,997	15,173,558	15,986,404	44.3%	5.4%
Professional & Technical Services	6,818,249	7,451,617	7,127,817	7,122,663	2,974,059	2,746,908	38.6%	-7.6%
Property Services	6,039,921	6,594,361	7,009,491	7,130,740	3,655,544	3,842,555	53.9%	5.1%
Other Services	17,750,251	16,411,397	18,575,051	18,638,953	9,700,730	9,466,658	50.8%	-2.4%
Supplies and Materials	8,073,568	8,500,686	7,857,299	10,300,677	2,532,796	4,621,351	44.9%	82.5%
Equipment	3,179,769	3,563,852	2,336,110	3,304,069	1,218,409	1,639,432	49.6%	34.6%
Other Objects	199,302	164,388	246,181	241,508	241,137	113,849	47.1%	-52.8%
<b>Total</b>	<b>198,086,196</b>	<b>204,413,697</b>	<b>208,468,385</b>	<b>212,188,834</b>	<b>99,725,846</b>	<b>101,061,866</b>	<b>47.6%</b>	<b>1.3%</b>

**Salaries (100 Series)**

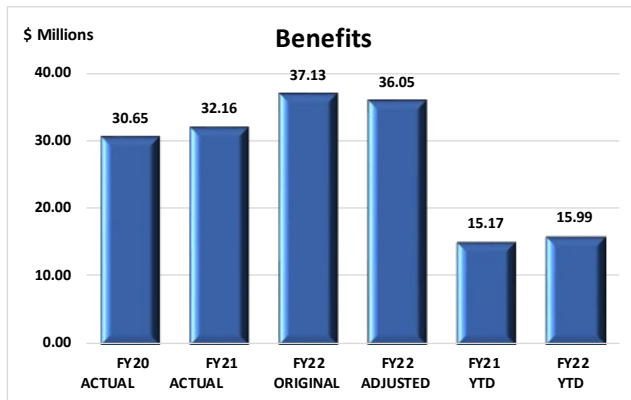
Salaries are comprised of amounts paid to both permanent and temporary employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll. Salaries account for 61.5% of FY21-22 General Fund expense budget.

The \$62.64 million FY21-22 year-to-date salary expenses represent a 2.5% decrease over the FY20-21 year-to-date expenses of \$64.23 million. The is driven by teacher vacancies and the shifting of social workers and school counselors from the local budget to the ESSER grant funding.



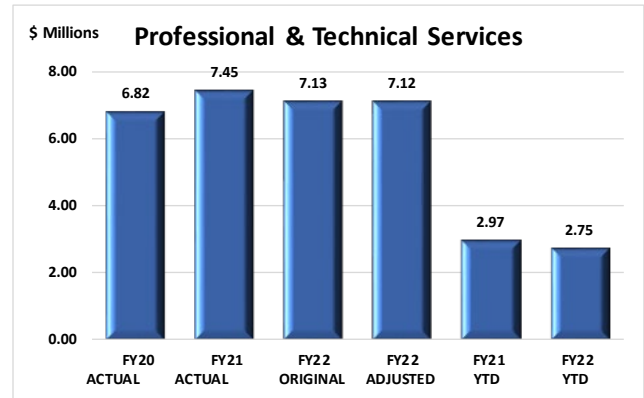
Benefits are comprised of amounts paid on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe benefit payments and, while not paid directly to employees, nevertheless are part of the cost of personal services. Benefits account for 17.81% of FY21-22 General Fund expense budget.

The \$15.99 million FY21-22 year-to-date expenses represent a 5.4% increase over the FY20-21 year-to-date expenses of \$15.17 million. The YTD increase is the result of not having yet allocated benefit costs associated with positions that have been transferred to ESSER grants. The allocation will happen before year end.



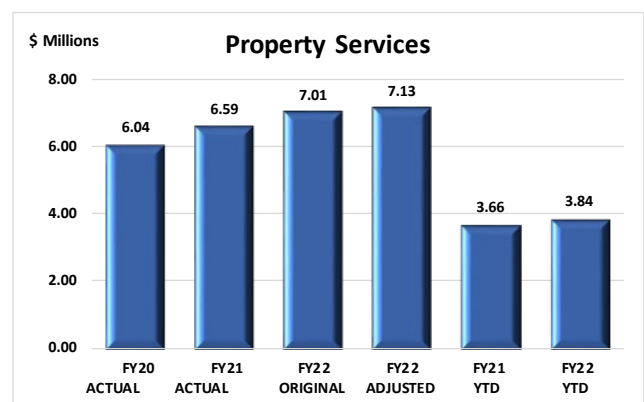
Professional & Technical Services are services which, by their nature, can be performed only by outside persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, etc. Professional & Technical Services accounts for 3.4% of FY21-22 General Fund expense budget.

The \$2.75 million FY21-22 year-to-date expenses represent a 7.6% decrease over the FY20-21 year-to-date expenses of \$2.97 million. The increase is driven by increases in expenses to purchased substitute teacher services due to higher teacher vacancy rates. The increases in substitute teacher expenses is offset by decreases in full time teacher salaries.



Property Services are services purchased to operate, repair, maintain, and rent property the district occupies. These services are performed by persons other than district. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Property Services accounts for 3.4% of FY21-22 General Fund expense budget.

The \$3.84 million FY21-22 year-to-date expenses represent a 5.1% increase over the FY20-21 year-to-date expenses of \$3.66 million. The increase is driven by increased outsourced custodial services to Affineco for West Rocks and Roton.

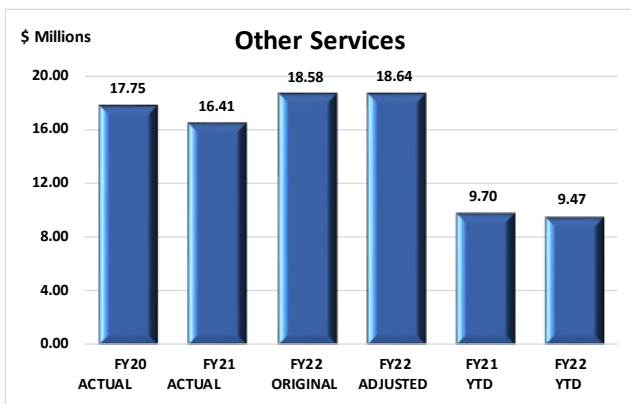


**Other Services (500 Series)**

Other Services are amounts paid for services rendered by organizations or personnel not on the

district payroll (separate from Professional and Technical Services or Property Services). While a product may or may not result from the transaction, the primary reason for the purchase is the service provided/ Other Services account for 8.9% of FY21-22 General Fund expense budget.

The \$9.47 million FY21-22 year-to-date expenses represent a 2.4% decrease over the FY20-21 year-to-date expenses of \$9.7 million. Although Special Education tuition is trending higher due to an increase in the number of out of district placements and correspondingly Special Education tuition for out of district students is also trending higher, the decrease is driven by timing of payments. The Other Services category is projected to increase over prior year.

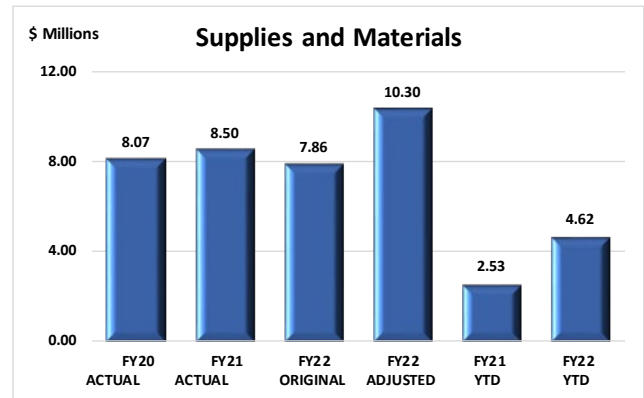


**Supplies & Materials (600 Series)**

Supplies and Materials are amounts paid for items that are consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Supplies & Materials account for 3.8% of FY21-22 General Fund expense budget.

The \$4.62 million FY21-22 year-to-date expenses represent a 82.5% decrease over the FY20-21 year-to-date expenses of \$2.53 million. The increase is driven by large carryover curriculum supply purchase that

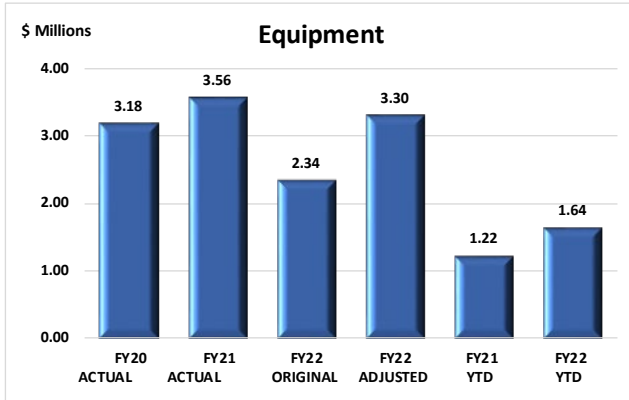
was accounted for in the current fiscal year. Supply chain issues related to the pandemic prevented the items being received and accounted for last fiscal year. For accounting purposes, the expenses needed to be recognized in FY21-22.



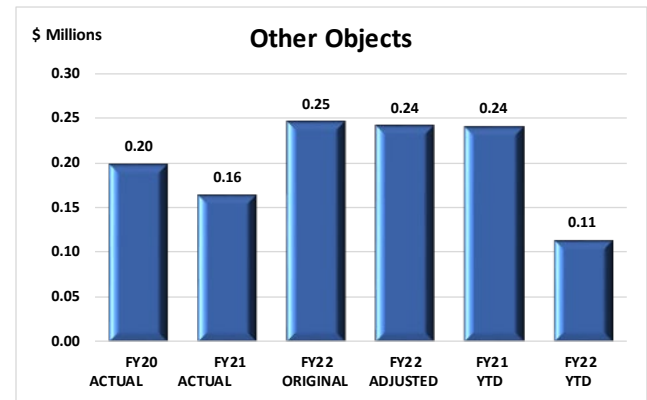
**Equipment (700 Series)**

Equipment includes expenditures for acquiring fixed assets, including land or existing buildings, improvements of grounds, initial equipment, additional equipment, and replacement of equipment. Included in this category are all items of equipment (machinery, tools, furniture, vehicles, apparatus, etc.) with a value of over \$5,000.00 and the useful life of more than one year and data processing equipment that has unit price under \$5,000.00 and a useful life of not less than five years. Equipment accounts for 1.1% of FY21-22 General Fund expense budget.

The \$1.64 million FY21-22 year-to-date expenses represent a 34.6% increase over the FY20-21 year-to-date expenses of \$1.22 million. The increase is driven by timing of equipment purchases.



The \$0.11 million FY21-22 year-to-date expenses represent a 52.8% decrease over the FY20-21 year-to-date expenses of \$0.24 million. The decrease is driven by one-time Covid related expense transfers that occurred last fiscal year.

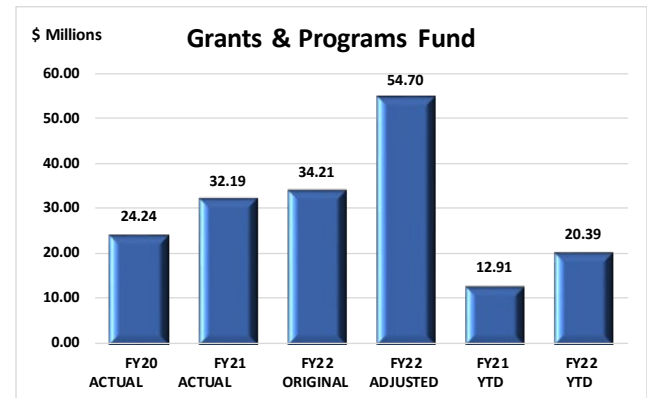


**Other Objects (800-900 Series)**

The Other Objects category is used to classify transactions which are not recorded in any of the other expenditure categories but require budgetary or accounting control. Other Objects account for 0.1% of FY21-22 General Fund expense budget.

GRANTS & PROGRAMS									
	FY20 ACTUAL	FY21 ACTUAL	FY22 ORIGINAL	FY22 ADJUSTED	FY21 YTD	FY22 YTD	% BUDGET SPENT	YR OVER YR VARIANCE	
Salaries	12,036,588	14,270,698	20,796,355	30,156,034	7,370,802	13,291,481	44.1%	80.3%	
Benefits	1,829,016	2,403,448	2,951,082	5,479,917	-	-	0.0%		
Professional & Technical Services	3,007,915	3,395,506	2,917,557	5,522,925	1,288,217	1,873,387	33.9%	45.4%	
Property Services	-	767,530	9,608	1,681,902	58,244	513,543	30.5%		
Other Services	5,698,156	5,535,055	6,121,181	6,032,348	2,428,640	2,784,321	46.2%	14.6%	
Supplies and Materials	802,570	3,142,587	728,893	2,080,390	1,091,108	677,486	32.6%	-37.9%	
Equipment	859,422	2,668,596	681,262	3,734,977	666,668	1,247,993	33.4%	87.2%	
Other Objects	3,175	4,726	5,055	10,170	2,370	-	0.0%	-100.0%	
<b>Total</b>	<b>24,236,842</b>	<b>32,188,147</b>	<b>34,210,993</b>	<b>54,698,662</b>	<b>12,906,049</b>	<b>20,388,211</b>	<b>37.3%</b>	<b>58.0%</b>	

**Grants & Programs Fund Expenditure Analysis**



FOOD SERVICES								
	FY20 ACTUAL	FY21 ACTUAL	FY22 ORIGINAL	FY22 ADJUSTED	FY21 YTD	FY22 YTD	% BUDGET SPENT	YR OVER YR VARIANCE
Salaries	1,651,550	1,435,581	1,431,127	1,431,127	716,393	740,021	51.7%	3.3%
Benefits	544,746	585,070	619,016	619,016	267,840	262,421	42.4%	-2.0%
Professional & Technical Services	1,435,506	1,047,321	1,570,873	1,570,873	554,861	665,888	42.4%	20.0%
Property Services	101,652	120,768	140,270	140,270	48,063	101,604	72.4%	111.4%
Other Services	52,529	60,392	90,243	90,243	32,932	34,873	38.6%	5.9%
Supplies and Materials	2,133,065	2,553,490	2,482,153	2,482,153	1,280,848	1,767,627	71.2%	38.0%
Equipment	19,599	43,723	75,000	75,000	8,942	5,634	7.5%	-37.0%
Other Objects			200	200	-	-		
<b>Total</b>	<b>5,938,647</b>	<b>5,846,345</b>	<b>6,408,682</b>	<b>6,408,682</b>	<b>2,909,879</b>	<b>3,578,068</b>	<b>55.8%</b>	<b>23.0%</b>

**Food Services Fund Expenditure Analysis**

The \$3.58 million FY21-22 year-to-date Food Services Fund expenses represent a 23.0% increase over the FY20-21 year-to-date expenses of \$2.91 million.

The increase is driven by increased cleaning supplies and other supplies and materials due to enhanced hygiene and cleaning protocols due to the Covid-19 pandemic.

