

I. INTRODUCTION

On May 13, 2021, the Board of Estimates and Taxation approved the City of Norwalk FY21-22 Budget which included \$208.47 million 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 \$7.8 million (3.8%) less than the final Board of Education request of \$218.28 million. 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 \$30.81 million in various grants and a \$6.41 million Food Services Budget.

This monthly report provides a high-level year-to-date analysis of the FY21-22 Approved Operating Budget. FY22 YTD 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.

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 \$149.70 million FY21-22 year-to-date expenses represent a 1.1% increase the FY20-21 year-to-date expenses of \$148.07 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 \$30.27 million FY21-22 year-to-date expenses

represent a 45.4% increase over the FY20-21 year-to-date expenses of \$20.82 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 \$4.96 million FY21-22 year-to-date expenses represent a 16.6% increase over the FY20-21 year-to-date expenses of \$4.26 million. The variance drivers are discussed in Section III.

III. YTD VARIANCE ANALYSIS

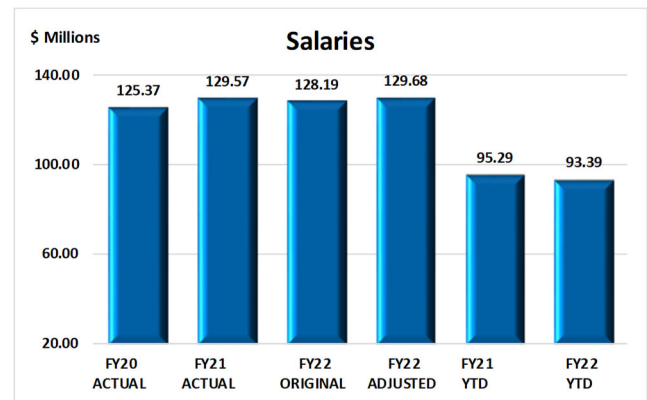
GENERAL FUND								
	FY20	FY21	FY22	FY22	FY21	FY22	% BUDGET	YoY
	ACTUAL	ACTUAL	ORIGINAL	ADJUSTED	YTD	YTD	SPENT	VARIANCE
Salaries	125,372,470	129,568,670	128,188,410	129,684,477	95,290,484	93,385,001	72.0%	-2.0%
Benefits	30,652,667	32,158,726	37,128,026	36,065,983	22,621,599	24,077,114	66.8%	6.4%
Professional & Technical Services	6,818,249	7,451,617	7,127,817	6,887,932	5,404,980	4,629,788	67.2%	-14.3%
Property Services	6,039,921	6,594,361	7,009,491	7,358,772	4,631,057	5,477,908	74.4%	18.3%
Other Services	17,750,251	16,411,397	18,575,051	18,614,958	12,708,630	13,420,158	72.1%	5.6%
Supplies and Materials	8,073,568	8,500,686	7,857,299	9,974,505	5,427,422	6,442,631	64.6%	18.7%
Equipment	3,179,769	3,563,852	2,336,110	3,392,100	1,814,554	2,125,722	62.7%	17.1%
Other Objects	199,302	164,388	246,181	210,107	170,202	140,145	66.7%	-17.7%
Total	198,086,196	204,413,697	208,468,385	212,188,834	148,068,929	149,698,466	70.5%	1.1%

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 \$93.39 million FY21-22 year-to-date salary expenses represent a 2.0% decrease over the FY20-21 year-to-date expenses of \$95.29 million. The decrease is driven by teacher vacancies and the shifting of social workers and school counselors from the local budget to the ESSER grant funding. The district has also begun using Education Staffing & Management Solution (ESS) to hire substitute teachers shifting the costs from the salaries category to the Professional and Technical Services category.

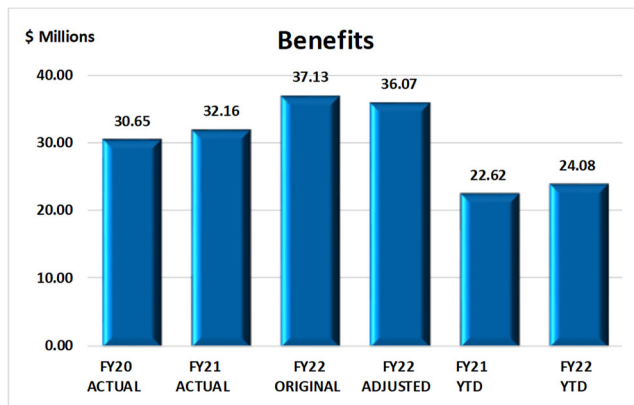
These decreases offset increases in custodial and maintenance over time due to an increase in facilities projects in school buildings and an increased amount of para professionals being paid out of the General Fund budget.



Benefits (200 Series)

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 \$24.08 million FY21-22 year-to-date expenses represent a 6.4% increase over the FY20-21 year-to-date expenses of \$22.62 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. Unemployment is trending much lower (\$0.2 million) compared to previous year due lower as a result of Covid related vacancies not collecting unemployment. The increases also offset decreases in unemployment compensation due to reduced unemployment claims.

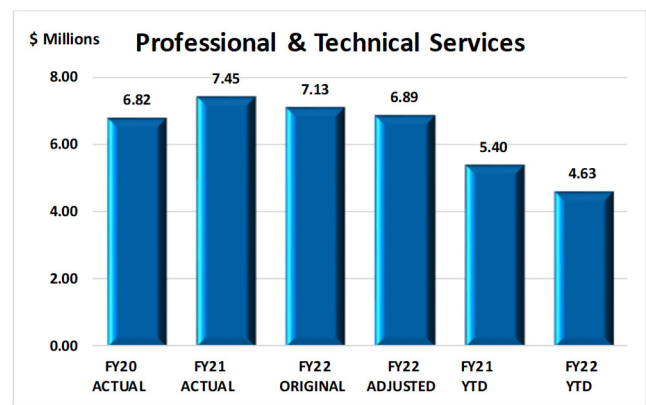


Professional & Technical Services (300 Series)

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.

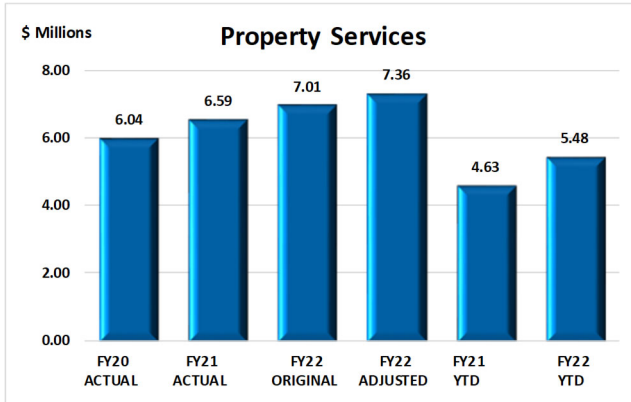
The \$4.63 million FY21-22 year-to-date expenses represent a 14.3% decrease over the FY20-21 year-to-date expenses of \$5.40 million. The decrease is driven by timing of expense reallocation for substitute teachers which are currently being charged to other school line items. This year the district is using an outside to firm to recruit substitutes.



Property Services (400 Series)

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.

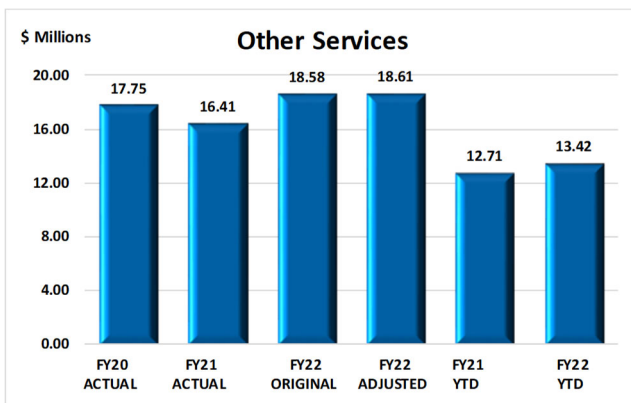
The \$5.48 million FY21-22 year-to-date expenses represent a 18.3% increase over the FY20-21 year-to-date expenses of \$4.63 million. The increase is driven by increased outsourced custodial services to Affineco for West Rocks and Roton. School instrument cleaning & repairs and technology repairs are also trending higher.



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.

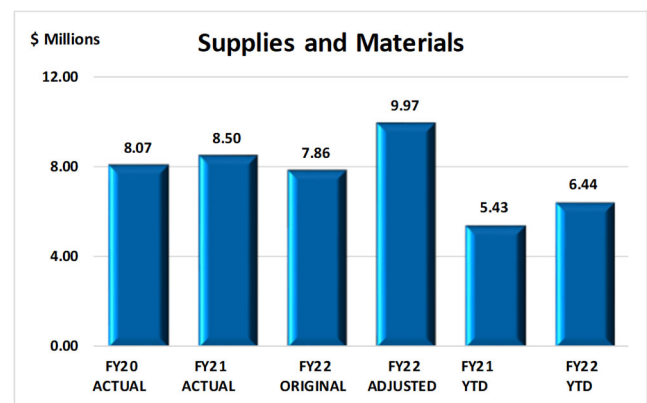
The \$13.42 million FY21-22 year-to-date expenses represent a 5.6% increase over the FY20-21 year-to-date expenses of \$12.71 million. Special Education tuition is trending higher due to an increase in the number of out of district placements and correspondingly Special Education tuition for out of district students is also trending higher.



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 \$6.44 million FY21-22 year-to-date expenses represent a 18.7% increase over the FY20-21 year-to-date expenses of \$5.43 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. Oil expenses are also trending higher due to recent increases in oil prices.

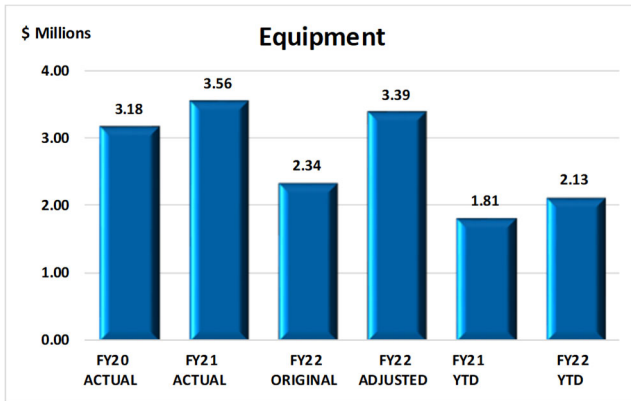


Equipment (700 Series)

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 and the useful life of more than one year and data processing equipment that has unit price under \$5,000 and a useful life of not less than five years. Equipment

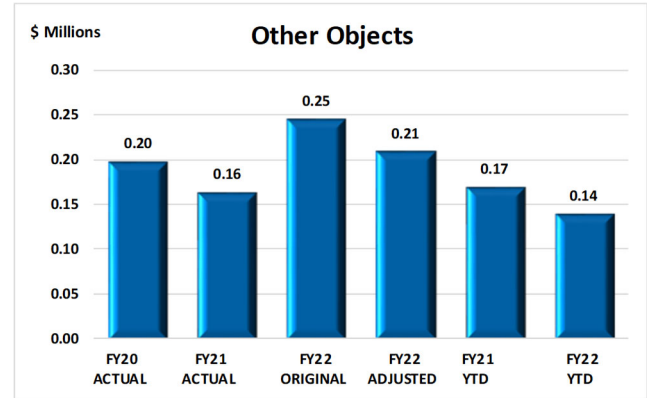
accounts for 1.1% of FY21-22 General Fund expense budget.

The \$2.13 million FY21-22 year-to-date expenses represent a 17.1% increase over the FY20-21 year-to-date expenses of \$1.81 million. The increase is driven by timing of instructional equipment purchases.



other expenditure categories but require budgetary or accounting control. Other Objects account for 0.1% of FY21-22 General Fund expense budget.

The \$0.14 million FY21-22 year-to-date expenses represent a 17.7% decrease over the FY20-21 year-to-date expenses of \$0.17 million. The decrease is driven by one-time Covid related expense transfers that occurred last fiscal year.



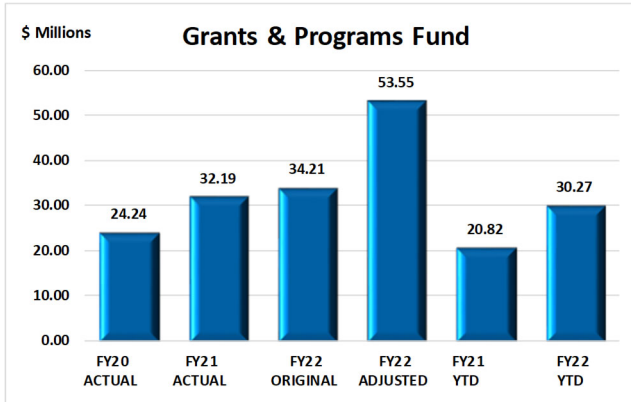
Other Objects (800-900 Series)

The Other Objects category is used to classify transactions which are not recorded in any of the

GRANTS & PROGRAMS								
	FY20	FY21	FY22	FY22	FY21	FY22	% BUDGET	YoY
	ACTUAL	ACTUAL	ORIGINAL	ADJUSTED	YTD	YTD	SPENT	VARIANCE
Salaries	12,036,588	14,270,698	20,796,355	30,120,838	10,494,794	19,038,549	63.2%	81.4%
Benefits	1,829,016	2,403,448	2,951,082	5,457,579	-	-	0.0%	
Professional & Technical Services	3,007,915	3,395,506	2,917,557	5,380,309	1,819,699	2,823,665	52.5%	55.2%
Property Services	-	767,530	9,608	1,781,902	239,147	772,651	43.4%	
Other Services	5,698,156	5,535,055	6,121,181	5,888,237	4,272,975	4,488,958	76.2%	5.1%
Supplies and Materials	802,570	3,142,587	728,893	2,151,099	1,868,150	1,037,943	48.3%	-44.4%
Equipment	859,422	2,668,596	681,262	2,758,517	2,121,316	2,107,471	76.4%	-0.7%
Other Objects	3,175	4,726	5,055	9,645	4,501	-	0.0%	-100.0%
Total	24,236,842	32,188,147	34,210,993	53,548,126	20,820,582	30,269,237	56.5%	45.4%

Grants & Programs Fund Expenditure Analysis

The \$30.27 million FY21-22 year-to-date Grants & Program Fund expenses represent a 45.4% increase over the FY20-21 year-to-date expenses of \$20.82 million. The Increase is largely driven by the District’s receipt and spending of Federal ESSER funding.



The drivers include:

- \$3.5 million year to date increase attributed to transferring social workers & school counselors from the local to ESSER funds
- \$3.1 million year to date increase attributed to reading, writing and math Improvement teachers
- \$1.3 year to date increase attributed to summer school security guards and the Carver After the Bell program from local budget to ESSER funds
- \$0.8 million year to date increase attributed summer school

FOOD SERVICES									
	FY20 ACTUAL	FY21 ACTUAL	FY22 ORIGINAL	FY22 ADJUSTED	FY21 YTD	FY22 YTD	% BUDGET SPENT	YoY VARIANCE	
Salaries	1,651,550	1,435,581	1,431,127	1,431,127	1,107,378	1,327,045	92.7%	19.8%	
Benefits	544,746	585,070	619,016	619,016	267,840	272,296	44.0%	1.7%	
Professional & Technical Services	1,435,506	1,047,321	1,570,873	1,652,495	767,567	903,386	54.7%	17.7%	
Property Services	101,652	120,768	140,270	150,164	142,091	140,061	93.3%	-1.4%	
Other Services	52,529	60,392	90,243	90,243	45,146	49,099	54.4%	8.8%	
Supplies and Materials	2,133,065	2,553,490	2,482,153	2,482,153	1,885,767	2,262,599	91.2%	20.0%	
Equipment	19,599	43,723	75,000	75,000	40,297	7,418	9.9%	-81.6%	
Other Objects			200	200	121	-			
Total	5,938,647	5,846,345	6,408,882	6,500,398	4,256,207	4,961,905	76.3%	16.6%	

Food Services Fund Expenditure Analysis

The \$4.96 million FY21-22 year-to-date Food Services Fund expenses represent a 16.6% increase over the FY20-21 year-to-date expenses of \$4.26 million.

Food purchases are running higher as a result of inflation combined with more food purchases related to commodities food supply chain issues (USDA foods such as cheese and meat. Food service tents in the current year were charged against food service budget whereas last year tents were charged against the ESSER grant. Additionally, cleaning supplies and other supplies and materials due to enhanced hygiene and cleaning protocols due to the Covid-19 pandemic and timing of payments.

