

# Budget Reduction Scenarios as Requested by the City Council

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BOE SPECIAL MEETING 5-19-2020

# Current Budget Amounts for your reference

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Status	% Increase	Amount	Difference (cuts or fund balance)
Budget NEEDED	9.11%	\$88,417,918	
BOE Approved Budget	5.5%	\$85,496,145	\$2,921,773
City Manager Recommended & City Council Preliminarily Approved Budget	2.4%	\$82,983,936	\$5,433,982

The City Manager’s Budget recommendation is an increase of 2.4% & the BOE has been asked to live within that recommendation.

Here are the fixed increases outside of our control.

How could 2.4% increase be adequate when the increases to actual are much higher than 2.4%?

Item	% increase of fixed cost	How much of our budget does this account for?
Certified Salaries (% increase and step)	5.7%	22.87%
Non Certified Salaries	16.78%	9.73%
Substitutes (certified and non-certified)	27.15%	1.16%
Health Insurance	24.78%	6.87%
Life Insurance	72.95%	0.06%
Workman’s Compensation	27.27%	0.82%
Transportation	4%	5.02%
Special Ed Transportation	12.5%	5.26%
Tuition	3.24%	41.19%
Telephone (elimination of e-rate discount)	85.71%	0.21%
Fuel	14.72%	0.61%
		93.8%

# Shared Services Update as of 5/19/2020

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The City Manager, City Comptroller, Athena Nagel and I have met at my request and have come to agreement on the following:

1. The City will take over NPS payroll on or before December 1, 2020 (not including Food Service payroll). As such, NPS will have savings in this line item for a partial year.
2. If one of the NPS payroll employees resigns before that time, the city agrees to take over payroll effective immediately.
3. We are in agreement that HR needs to remain separate (1 HR department for the City and 1 HR department for NPS).
3. The City is still examining the potential of shared custodial and/or maintenance services. Please note that we will need some direction from the City before July 1 on this matter or else we will need to hire a Facilities Director.

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The City Council has requested a budget reduction plan.

The BOE has asked us.....

What would it look like with a 2.9M reduction (5.5%)?

What would it look like with a 5.4M reduction (2.4%)?

## What are fixed costs in the operational budget?

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Certified contractual salaries and benefits

Non-certified contractual salaries and benefits

Substitutes

Health Insurance

Life Insurance

Unemployment Insurance

Workman's Compensation

City Retirement

FICA Employer Share

Severance Pay if required by contract

Medicare Reimbursement

Special Ed Contracted Services

Transportation

Property Services

Telephone

Utilities (Electricity, Gas, Water, Sewer)

Fuel

Tuition for Outplaced Special Education Students

Tuition for High School

Legal

# Where do we get the \$2.9M or \$5.4M (between 2.4%, 5.5% and the needed 9.11%)

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1. The City increases it's property tax transfer to the school department

OR

2. The City pulls from it's undesignated fund balance

OR

3. NPS creates a budget reduction plan (not fixed costs and not those required by law or contract)

OR

4. A combination of 1, 2 or 3

# Caution

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The Norwich Public Schools are at minimum staffing levels. The following budget reduction options would place us at far less than minimum staffing.

The impact to the educational program would be drastic.

Anyone who has walked the halls of our schools knows that our staffing, supplies and resources are already limited and our needs are great.

# Budget Reduction Options of \$2,921,773 (5.5%)

## Board of Education Recommended Budget

(\* for each lay off take into account unemployment not included of an additional 100K-200K)

Item to be Eliminated	Cost	Rationale	Approximate Savings
New Assistant Special Education Director	\$125K Plus Benefits	We need this. We will reduce staff in another area to make this a budget neutral expense	\$143,000 (approx. 3.5 non-certified support staff 40K each)
New 3 Reading Teachers	\$60k Plus Benefits each	We need this. We will reduce staff in another area to make this a budget neutral expense	\$234,000 (approximately 5.5 non-certified support staff)
New Maintenance Truck	\$70K	Eliminate	\$70,000
New Maintainer	\$60K plus benefits	Eliminate	\$78,000
New addition of middle school sports	\$29,000	Eliminate	\$29,000
.5 Year of 2 payroll positions	Salary & benefits	Eliminate as of December 1, 2020 because the City is taking over payroll	\$87,000 partial year
Eliminate Elementary Magnet School Designation	We no longer receive grant funding but have a technical obligation to provide magnet services because we received those grant funds	Advantage: Eliminate the need to transport students across the city. Disadvantage: Students have been attending the elementary magnet schools for years. They chose these schools and believe in the theme and programming. This move will displace students from schools they have attended for many years.	\$400,000 (approximately) by reducing transportation cost. Please know that legal is still investigating if this is possible without legal repercussions.
Close FRC (Family Resource Center) at Case St	Not required by law. Bishop Pre-School Special Education is required by law	Advantage-none Disadvantage-Quality childcare program for 62 students would be eliminated & we would forfeit all grant funds and perhaps put all School Readiness funding at risk.	\$31,000 (heat, water, electric, .2 Nurse & .3 custodian) the remainder is paid with grant funding and parent fees

# Budget Reduction Options of \$2,921,773 (5.5%)

## Board of Education Recommended Budget

(\* for each lay off take into account unemployment not included of an additional 100K-200K)

Item to be Eliminated	Approximate Cost	Rationale	Approximate Savings
Eliminate ALL advertising	\$8,000	Unfortunately we would not be advertising anything for any reason	\$8,000
Eliminate ALL postage	\$19,000	We would not be able to mail anything home to parents even as requested	\$19,000
Eliminate ALL Library supplies	\$25,000	We would not purchase any library supplies this year	\$25,000
Eliminate Art, Music, PE and Library from Bishop Pre-School	Staffing	It is a wonderful idea to provide these experiences for young children and extremely enriching yet not required by law or contract	\$25-100,000
Eliminate LPNs.....leaving only 1 School Nurse at each school	\$100,000	Concern would be when a nurse is absent if coverage would be available. Concern of amply staffing the clinics of our largest schools.	\$100,000 (2 FTEs at Moriarty, Huntington & Kelly)
		SUBTOTAL	\$1,326,000
Eliminate additional Non-certified staff (EL paras, school office secretarial support, custodial support, other paras) in the amount of 1.5M	Varies	This would bring staffing down to less than minimal staffing 1.0 secretary at every school except Kelly. Reducing all EL paras and replacing with an EL teacher where needed. Reducing custodians down to 1.0 Head custodian and limited evening support (with the exception of Kelly) Reducing paras in all areas and in all schools. In some cases we will need to offset with a Dean of students for safety purposes. Disadvantage: we would be causing broad district employee unemployment of Norwich taxpayers. It will restrict community events at schools because of lack of custodial coverage. Students and staff will not get the support they need.	In the amount of \$1,595,773 (about 39 additional non-certified employees)  We are not yet sure what that would look like or if it is even possible
		TOTAL	\$2,921,773

# Budget Reduction Options of \$5,433,982 (2.4%)

## City Manager Recommended & City Council adopted Preliminary Budget

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Take all savings above (totaling 2.9M) and in addition.....

Item to be Eliminated	Advantage	Disadvantage	Savings
Potential closure of an elementary School	None	Increased class size in all other schools, disrupting an entire educational community of learners, this is a very drastic option for September.	Staffing and transportation approximately \$500K-700K (less 100K-200K one time unemployment expense).....If this is an area that the BOE or City Council wants to explore we can get more specific details
Explored Eliminate All After School Care Programs	None	Children would not have a safe place to go after school & we would lose thousands of dollars in grant funding	No operational budget savings
Explored Eliminate Family Engagement officers, Teen Outreach coordinators, etc.	None	Schools and families would lose those community and family outreach personnel and NPS would lose grant funds	No operational budget savings
Explored Eliminate Magnet Middle Schools	None	Reduction of Magnet Coaches and Exploratory Courses for students	No operational budget savings
			Leaves \$2,012,209 left to cut or receive from fund balance