

Why does NPS have such a drastic increase in education costs?

The majority of the increased costs are due to health insurance and tuitions.

This year we have had an abundance of health insurance claims with many high cost. Our monthly average claims have increased significantly. The majority of the increase is to replenish the reserves since they were depleted in 15/16. We are in the same plan as the City of Norwich and Norwich Public Utilities. We collaboratively look for cost savings and based on our size we have get significant discounts and decreased administrative fees. The Board of Education also has been working diligently to protect the budgets. Through negotiations they have achieved very high premium shares from NPS employees. Our employees pay 23% of their insurance, the highest percentage in the state. Additionally, benefits have continually decreased each negotiation session.

Tuition increased by \$2,658,899. The line item shows an increase of \$3,056,899 but that is because \$658,435 has been moved from 590 (Purchased Services) due to the transition to Universal Chart of Accounts. Of the \$2,658,899, NFA is an increase of \$525,638. The rest is attributable to more students going to Out of District Magnet Schools, Ledyard and Bacon Academy tuition in the amount of \$84,680 and rising special education student numbers for out of district placement. This also includes the recent addition (impacting the 15/16 budget) of 17 very high cost (greater than \$100,000 each) students. There are currently 140 outplaced special education students as well as 27 at Hickory Street School, 2 at the Virtual Learning Academy and 22 special education students at Magnet Schools for a total of 191 out of District special education students.

Certified salaries have decreased by (\$174,291) and non-certified salaries have decreased by (\$59,683) over 15/16. It appears that salaries for non-certified have increased but it is only because \$398,000 was transferred from line item 590 (Purchased Services) — which now shows a reduction but those expenditures were moved to line items 112 (Support Salaries) and 560 (Tuition).

The City Retirement plan is an actuarial/city charter requirement with an increase of \$89,864. This means the city (and each department) has to pay a 15% cost increase each year to reach the federally required 100% funded retirement plan.

Transportation is a contractual increase for line item 333 (Bus Company) with a consumption increase in 627 (Bus Fuel). The increased bus fuel cost is not due to a rate increase, our buses are now on the road non-stop from 6am to 6pm.

Public Utilities 410 (Electric) and 620 (Heat) increased because we did not receive the estimate from NPU for 15/16 until after the budget was adopted by the Board of Education and just before the City Council adopted the final budget. It is a deficit in 15/16.

85% of our students receive free breakfast and some of our students are sent home with backpacks of food for the weekend. Our overall free/reduced rate is 76%. All free and reduced eligible students receive free meals. All students that are in the schools after the end of the school day are eligible for free dinner which is served at all locations. At the moment, dinner is a cold meal but in the future we plan to transition to hot suppers. Our food service program is 100% self-supporting. The Board of Education does not fund this program.

The Family Resource programs are self-supported through fees and grants. The majority of the preschool programs and services are funded through grants.

Adult Education is a regional program and supported by grants, fees from other districts, as well as, fees and inkind services from the Board of Education

While most other districts in the state are experiencing a decrease in enrollment numbers, we have remained steady.

Our students attend all of the New London magnet schools, Three Rivers Middle College, Quinebaug Valley Middle College, ACT (Windham), Pace (Windham), Grasso Tech, Norwich Tech, NFA, 2 Norwich Parochial Schools, Integrated Day Charter School and more.

In any year, we have more than 30 languages spoken in our district, as well as, the associated expenses (mandated) for language centers. We also have more than 100 children who are

homeless throughout the year. They require mandated services (some covered by grants) but we far exceed the grant allotment each year.

The before/after school programs are now available at every site and are funded through grants, Care4Kids and parent payments. We service 60-90 children at every site in the district.

We have millions of dollars in grant funding which accounts for 44% of our staff. Numbers are based on full-time equivalents. For example, two part-time staff members count as one person. The grant funded programs move our district forward. They cannot be used for classroom teachers, custodians/maintenance/facility personnel, most secretaries, nurses, principals, central office, SRO etc... The grants are tied to specific initiatives and funding cannot be discretionary for other positions within the district. To understand grant funding on a city level – a grant for paving cannot be reallocated to pay for a payroll person.