

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

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**School Board Workshop
April 27, 2010**

Teacher Contracts

The Superintendent started the meeting clarifying a headline that the Sun Sentinel Newspaper published regarding school reductions. Reductions are done at each school site. Some music, art and physical education teachers were offered 50% of their salary, in other words a part time position, or placed in a surplus pool if preferred. This negotiation is part of the teacher's contract. The Superintendent and the Broward Teachers Union will be having a meeting to further discuss the contracts. Further information regarding the offering 50% of the teachers' contract will be on the Broward Schools website to let people know what is exactly going on. The thinking is that a teacher can take one half time position from one school and one from another school and create one fulltime position. Negotiation discussions are still taking place and final decisions will be made by Monday, May 10th.

UPDATE: The Broward Teachers Union has requested that the negotiation on a teacher's contract be stopped and instead the teacher should be placed in the surplus pool.

Deerfield Middle School

The Superintendent was thanked for his attendance at the very successful fundraising event for Josie Ratley last Sunday, April 25th. Deerfield Beach Middle has received very negative reviews in light of this past school year's events. The school has great students and the community and school are all pulling together to change this portrayal. Meetings are being held with many different groups to discuss safety, security, and reducing violence in schools.

Head Start Audit Follow-up Update

The last Head Start Audit update took place in April of 2009. There were several findings, which have all been addressed.

The following are the findings and corrective actions.

- No cash drawdown monitoring. The budget office has assigned a specific staff member to authorize the cash drawdown for Head Start.
- No cost allocation for VPK funding. Accounts have been created for the three VPK Programs: Head Start/VPK Extended Day; ESE/VPK; and Fee-based/VPK. VPK costs have been allocated to teacher salaries based on number of students and the three-hour program.
- Home Based Program Out of Ratio. Staff has been hired to meet Head Start teacher student ratio requirements. Early Head Start is on target to meet the required 32 home visits.
- Program did not meet socialization requirements. The Transportation Department Director is to ensure all parents who are scheduled to attend socialization meetings have transportation and there is a tracking report, which demonstrates compliance.

-Average caseload not maintained. Staff has been hired to meet teacher/student ratio in home-based programs.

-Program did not enroll 10% of ESE students. A Dual Enrollment program was created to meet the 10% requirement, which was met in December 2009.

The Board asked about the extended Pre-K day. Staff reminded the Board that several models have been brought forward for review, but it was determined that they were not cost neutral. VPK only funds three hours and does not fund the teacher or paraprofessional. The only way a student can receive an extended Pre-K day is to be enrolled in the Head Start Pre-K program.

Other Head Start Program Updates:

-The new electronic application process is successfully implemented.

-Laptops have been purchased and distributed to Head Start teachers.

-The new Pre-K Math and Pre-K Science curricula have been purchased to continue alignment with K-3 standards.

-A grant application was submitted to IBM for new computers for students.

-A grant applicant was submitted to Lowes to finish playground construction at two sites.

Staff will continue to update the board on the Head Start Program and will provide training three times a year.

Material for this presentation can be found on the eAgenda April 27, 2010 workshop.

Investment Performance

The Treasurer Department and the PFM Asset Management Investment Advisor presented the Investment Performance Review Quarterly report, which ended March 31, 2010.

First, an overview of the economic status in the U.S. was presented. Pending home sales have rebounded up 8.2%. Much of the demand can be attributed to the pending April expiration of the homebuyer tax credit. February's rebound in pending home sales is a good sign for the housing sector.

Long term mortgage rates are moving higher since the Federal Government ended its large mortgaged backed Federal agency purchases at the end of March. This has kept long term mortgage rates low. There is a concern that rising mortgage rates will slow down housing demand, which is an already struggling market.

Confidence in a global economic recovery drove prices higher in recent weeks, but has now stalled at the end of the week. Oil inventory has increased, which is an indication that demand is less than supplies. As a result, oil prices went lower at the end of the week. There are still lingering concerns over Greece's debt problems. The Federal Government's plan is to keep rates low for an extended period. The two-year treasury yields ended the week near 1.08%. The two-year and ten-year U.S. Treasury yield curve remains steep. Payrolls and unemployment rates continue to be down and is a huge challenge for the Federal Government.

The PFM Investment advisor presented the Broward Public Schools Investment Report, ending March 31, 2010, showing the Treasurer's Pool cash balances, security type, the composition, and credit quality characteristics. Short-term rates are not expected to

increase until perhaps next year at this time. Long term Investments are made to insure higher yields. The portfolio continues to focus on treasury and agency securities.

The treasury pool composition continues to be triple A rated. There is an opportunity at this time to sell treasury bills and reinvest in agencies to take advantage of their expanding yield.

Last year some funds were taken from the self-insurance portfolio. There is still a safe and adequate reserve balance, which covers our insurance needs.

Board Members asked about rating companies, the average duration of a long and short-term investment, and the laddering process to get the most from the School District's funds. There is an increase in our funds due to the laddering process and we are experiencing higher yields because investments are made for the long term, which helps the entire portfolio. Board Member wanted to know how much money is spent on the School District's bills and how much is reinvested. Staff will get that information for the Board Members.

The Board Members thanked staff and the PFM Asset Management for their wonderful work keeping the Broward Public Schools investments sound. During these extremely difficult economic times, interest is low on investments, but not one penny of the portfolio's principle has been lost.

Material for this presentation can be found on the eAgenda April 27, 2010 workshop.

2010-2011 Organizational Chart

The Superintendent stated that last year \$9.7 million dollars was cut from the organizational chart and fifty-nine positions. The majority of those positions were vacant due to the employee freeze that was implemented last year. This year there are sixty-six positions removed from the chart with a total cost saving of \$7 million. Seventeen positions were vacant and forty-nine positions have people in them. Over a two-year period there has been approximately \$17 million cost savings to the School District and 125 positions have been removed from the chart.

The Superintendent went over every Division and their cuts. Page one is the organizational chart for the School Board of Broward County, Florida. Page two diagrams the three Area Superintendents' offices. One Area Coordinator-Exceptional Student Education was removed from the North Area. There are now two Area Coordinator-Exceptional Student Education who will split the North, Central and South areas. Board Members were concerned about this. Staff advised the Board that this is being done to centralize the ESE services and the Director of ESE will be the centralized point person instead of the Area Superintendents. It has been found that ESE services are not consistent across the District and this plan will help alleviate this problem. Also, services have been duplicated in the past and this alignment stops that. Parents have been requesting that ESE services be centralized and this accomplishes that request.

Curriculum, page 3. Again there were some eliminations. Some positions are vacant and some have people in them. It was noted that the ESOL Director is assuming the Pre-K Director's position and the job description may have to be rewritten to include the added responsibilities. The Pre-K Director position has been eliminated.

Board Member suggested that Adult and Community Education should raise their prices and consolidate sites so that the Director's position is self-funded. Staff is requested to supply the Board with the costs for teachers, electricity, number of sites, and other costs for running this department. It should be a cost neutral department.

Board Member asked why textbooks are being renewed so often. Statutes drive textbook adoption. Staff is requested to keep teachers up to date on textbook adoption and other state mandates.

Educational Programs, Page 4 A & 4B. Staff is requested to see if any position's calendar can be reduced.

Office of the Chief Auditor, page 5. One auditor is being removed from this department. It was requested that instead of a dotted line to the School Board Members that this be a solid line and by-pass the Superintendent. This business model is being done in other organizations. Board Members requested that data be collected from other organizations showing this model and request that this be discussed at another time.

Chief Financial Officer, page 6A. Board Member requested that there be more ERP positions eliminated. Due to the School District's investment in the ERP System, it is not recommended to reduce these positions. It was pointed out that because of the ERP system, bills are being paid and payroll is done on time. This investment has been the key to the School District's success. Other School Districts wish they were in our position. They were not as fortunate implementing this program and huge amounts of money were spent trying to do so. The School District is proud that the ERP system was successfully implemented.

Human Resource Development, page 7. Eighteen teachers on special assignment and three support staff have been eliminated from the department.

Public Relations, Governmental Affairs, & Partnerships, page 8. One Public Affairs Specialist has been eliminated.

Human Resource Department, page 9. Cuts to this department have been very challenging. Two Gang Prevention coordinators; the Classification and Compensation Manager; and the Instructional Staffing Supervisor positions have been cut.

Board Members asked if the gang prevention coordinators communicate with schools, Sheriff Department, and community organizations. Everyone needs to know who they are and what they are doing. There needs to be a collaborative effort with all the different entities so there is no duplication in effort. How are they connecting and aligning with each other? Safety and security is one of the biggest concerns in the School District at this time.

Office of Chief Operations Officer, Page 10. Board Member requested that BECON find a way to pay for itself. Staff is requested to give the Board the current status of dollars that they are starting to generate.

Educational Technology Services was discussed by the Board and asked if it could be more streamlined. This department has cut many positions and is lean as it can be. This is one of the support services for the instructional and business side of the house. Schools would be hurt if this department were not substantially supported.

Facilities and Construction Management, page 11. This department has had substantial position eliminations due to the severe cuts from the State for construction. There are now nine Project Manager II positions reduced from twenty-nine and five Project Manager I positions reduced from thirteen. Also cut were the Executive Director for Facility Management, Planning & Site Acquisitions; Director of Real Estate & Environmental Planning; Director of Facility Planning Information Management; and the Coordinator Telecom Wiring & Installation. All of these positions have been eliminated due to the lack of construction projects. The Director of Growth Management will assume these responsibilities. Board Members had a concern regarding the selling of surplus properties, the Interlocal Agreement, and asked if this job can be done adequately and responsibly. The department will work with the PPO department for staff support. The department has cut \$5 million in salaries.

Board Members asked General Counsel about his division. There was no organizational chart for his area. There was also a question as to who pays the General Counsel's salary. The Board has requested the organizational chart for his area, cuts that may be done, and total budget for this department.

Board Members requested a matrix showing vacant positions and the total cost avoidance, and filled positions and the dollar amount saved. The point made is that the vacant position's dollar amount should not be included with the filled positions that are being eliminated, in order to show the true cost savings to the District. The vacant position's payroll has already been removed from the department's budget and put back into general fund. Salary lapse dollars are not permitted with the new payroll system that is now used.

Board Members noted that due to these eliminations, someone else is assuming those job responsibilities and are doubling up on their work. Board Members hope that they will be able to continue their workload.

Board Members had several suggestions to reduce costs:

- Review the calendar for some of the chart positions to see if they can be shortened to save dollars.
- It was suggested to shorten the calendar year of Principals.
- Regarding schools and their 6% budget cuts, some schools are able to keep their music, art and PE teachers. Board Member requests staff to look at these schools and use them as a best practice model so other schools can do the same thing to keep their special teachers.
- It was also suggested to keep the schools close to reduce travel time for teachers who are part time at one school and going to another school.
- Furlough talks should be started right away with all unions. By doing it across the board everyone is doing it, not just one group.

Board Members requested staff to supply the following organizational chart information:

- The budget cost for every Division page.
- Breakdown on the grant and general fund positions. When a grant ends the position ends. Staff is requested to make it clear who retired and who was terminated.

Board Members will have the opportunity to speak about schools' budget cuts on Thursday, April 29th Retreat at Fort Lauderdale High School. Board Members are frustrated that they do not have more input in the cuts that schools are making and would like their suggestions taken seriously. Superintendent stated that every suggestion is being looked at, with a cost saving added, and that information will be presented to the Board at the April 29th retreat.

Board Members are fully cognizant that every box on the chart that is eliminated is putting someone in turmoil. This is a real person. The Board values these jobs as well as the people in them. These are people who are responsible for the success of the students.

The organizational chart can be found on the eAgenda April 27, 2010 retreat.

Budget/Legislative Update

Staff went over the budget projections for 2010-11 Plan A and Plan B.

First, Plan A was reviewed going over the District's funding needs, which totaled \$100.8 million. The financing sources and budget cuts totaled \$106.8 million. With the projected State budget cuts of \$6 million the balance would be zero.

Plan B was reviewed, again going over the District's needs, which totaled \$127.8 million and the financing source total of \$133.8 million. With the projected State budget cut of \$6.0 the balance would be zero.

Due to the recent State budget discussion, Plan B had to be revised because of the decision to mandate School Districts to begin class by class in August 2010 instead of the second semester. This requirement will cost the school district \$27million more or an approximate total of \$54 million.

Both plans and the revised plan had already included the levy of 0.25 mills by super majority vote by the Board and a furlough of 10 days. With this new revised Plan B, the School District is \$15.9 million short and will have to find those dollars. The Superintendent and staff were hoping to give schools back some dollars, but with this new date for the State mandated class-by-class, this will not happen.

The penalty to not start in August class by class is \$47 million. Several hundred teachers would have to be hired to meet class by class. The School District does not have those dollars. It is thought that many School Districts in Florida will not be able to make class by class.

Board Members discussed the 0.25 mills levy. The Chair recommended preparing a Board Item for the meeting in July. The State has already included these funds in their budget so the Board is forced to do this. If this passes by a super majority vote, then it would go on the November ballot in 2011.

Capital Budget

For 2008-09 the total expenditures for the Physical Plant Operations (PPO) was \$105 million. 2009-10 the PPO budget was cut by \$21 Million. Using one-time dollars from project's savings and the Capital Projects reserve made up most of this reduction. PPO also cut spending by approximately \$4 million making the final budget for 2009-10 \$101 million.

The adopted Capital Plan reduced the 2010-11 PPO budget by another \$44 million leaving \$57million. It was stated that the District's facilities cannot be maintained on \$57 million. With an additional PPO recommended cuts of \$10 million, the projected deficit is \$34 million and is only for the 2010-11. The impact to the Capital Plan is even more significant

over the entire 5 years of the District Educational Facilities Plan and will require additional project delays.

Board Member requested a more detailed explanation on projects that are done through the Davis Bacon Act. The Board approved all projects that are being done when the 5-year plan was approved.

PPO needs approximately \$90 million in order to maintain an adequate learning and working environment. The \$10 million cut proposed by PPO for 2010-11 will eliminate 149 staff positions. Staff wanted to show the Board that projects would have to be delayed and dollars will have to be shifted to maintain schools. Staff will make those recommendations at the May 25th workshop.

Material for the Budget presentation can be found on the eAgenda April 27, 2010 workshop.

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