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**School Board Budget Workshop
May 5, 2010**

Race to the Top

The Superintendent informed the Board Members that he was adding the item, *Race to the Top*, to the May 11, 2010 workshop. The new Memo of Understanding, which was crafted by the working group included parents, PTA members, and Superintendents from the State, was sent to the Board for their information. The Superintendent wanted the Board to have the opportunity to discuss this item before it came to a School Board meeting for their approval and hoped that they would support it. He has also spoken with the BTU president and is hoping that they will also be interested.

Budget Savings Recommendations 2010-2011

Staff and the School Board Members continued the review from the April 29th Retreat, at Fort Lauderdale High School, of the Budget Savings Recommendations for 2010-2011. This review combines recommendations from both School Board Members and staff.

Staff started with a quick review of the items that were looked at the April 29th Retreat and informed the Board that they believe they had captured everything that was recommended.

The presentation began with letting the Board know what is needed to balance the budget. At this time there is \$101million to put towards balancing the budget. These were sufficient dollars to balance the budget until the State mandated that class-by-class would begin in Fall of 2010, rather than February 2011, which was the date previously decided on. It is projected that an additional \$88 million will be needed.

It was pointed out at this time that Charter Schools did not have to meet this standard in the fall; they only have to meet school wide class size. Even though they are considered a public school, the State has made this distinction. They, therefore, do not have to come up with this extraordinary funding during this very difficult economic time.

This new deadline for class by class was brought to the State's Superintendents' attention at a conference meeting a short time ago, when they were informed about the significant radical change. This new deadline for class by class has all School Districts juggling their budgets to meet this mandate and has doubled the costs to accomplish it. Due to the enormous costs, the November ballot will have a referendum regarding the Class Size Amendment, leaving it to the voters to decide if Class Size should be continued. Hundreds of teachers will have to be hired in the fall to meet the mandate, which may change once the referendum is voted on.

Staff turned to the Board for their recommendations to meet this funding gap. As they went through the presentation, a visual budget graph was adjusted as budget items were identified so the Board could see visually the budge gap closing.

The recommendation to cut the area offices from three to two was discussed. The impact would be the elimination of an Area Superintendent and secretary. The other staff that supports the area office would remain. Since this is the first year with three area offices reduced from four, the Board recommended not to do it at this time, but to look at this again next year.

It was requested that staff create a master plan showing enrollment at every school. The fact is, the student population is dwindling and it would be a good business model to reevaluate the District's services needed for the student population at this time. It was suggested that the District hire an outside company to reevaluate services and schools to see if the District can be more efficiently run. Board Member stated that the School District could not continue to operate the existing number of schools and staff if the population is downsizing. The District needs to evaluate the number of employees needed. This will be done by area. Whatever the decisions are, they will impact everyone. The Chair requested staff to look into the cost to do this.

Board Members requested the enrollment figures for this year. The State has one number and the School District has another. Due to the State's miscalculation of students in the School District they have requested, out of this year's budget, a total of \$9 million to be returned to them. \$6 million was requested in January and just recently \$3 million more from their recent calculation. The Board would like the enrollment figures looked at again by staff to see how the School District matches up with the States figures. In order to plan for the future accurate data is needed.

Staff is looking at information about transportation, Nova, Magnet and innovative programs, and will bring that information to the next budget discussion. Also, data is needed for items 11-13 and will be brought back at the next discussion.

Number 18, discontinue printing paystubs. It is requested that employees who do have email addresses and automatic deposit receive their pay stubs electronically. Those who do not want this, due to their individual circumstances, can opt out. Staff will coordinate this process through the payroll staff at each department. Staff informed the Board that mileage checks would be automatically deposited to save on paper.

Item 20, eliminate all varsity sports. Due to sports being cut in the past, the Board decided to hold off on this item. Staff is trying to get more partnerships for schools to help with the costs.

Items 21 and 22 were reviewed at the last Retreat. Item 23, implement modified high school scheduling model. This is a union bargaining item. Schools would be moved to a straight 7 and teachers would have 6 periods of classes. There would be a saving of \$35 million. Board Members would like a cost analysis done, which would include the number of teachers needed, salary and benefits savings, and class size costs. This scheduling model would make it easier to meet class size and would enable schools to offer more courses.

Items 24 thorough 30 were previously discussed at the past Retreat. Item 31, provides flexibility with vendor choice. Board Members want schools to get the best price for their supplies. Staff assured the Board that schools know that they can purchase items at low cost and do not have to use the company catalog that won the bid. It was pointed out that the catalogs offer a discount on all purchases and includes warranty and delivery charges.

Staff will clarify purchasing options with Principals. Staff will also make sure that the School District is getting the best price for their purchases.

Item 32, teacher LEAD dollars. Those dollars are being added to close the budget gap.

Item 33, reduce all sports and extra curricular activities by 20%. It was suggested to cut sports that did not have a large participation. It was also suggested to look at middle school sports. Board Members requested a cost analysis to look at a sharing model. Any cuts that were made would have to be equitable across the School District.

Item 34, reduce art, music and/or PE in schools. The Board restated what they said in the past, programs would not be eliminated from the schools. If a program is eliminated, then a student will be given the opportunity to reassign to a school that does have the program.

At this time, the Superintendent presented health insurance options that would save the School District dollars and asked for the Board Members' direction. Eliminating the gym membership, over the counter benefit, life insurance and open access would save the School District \$7,400 million. The Board agreed for this year to drop these options. This amount was added to cut the budget gap.

The .25 additional millage was discussed, which could be voted on by the Board and approved by super majority vote. This is an item that would bring in an additional \$33 million. The Board will bring a Board item forward, due to the fact that the State has already included this amount in their budget for the School District. The State has put this tax increase on School Districts rather than doing it at the State level. Staff clarified that putting this on the November ballot for 2010-2011 is their choice and does not have to be done. Doing it now with the Board's super majority vote does have to be done in order for the budget to be balanced. This \$33 million was added to the chart to close the budget gap.

The Board wanted to be assured that these dollars would be used to save jobs. Once the budget was balanced, the left over dollars will go back to the schools and will save jobs. The Union's contract process has to be followed regarding the surplus list and seniority. Board Members asked if there could be job swapping, so people could go back to their original positions. Staff will talk with the unions to see if this is something that can be done.

Item 36, reduce lobbying expenses. Board Members had a discussion and may reduce the number of lobbyist they have. Contracts are coming up for renewal next month. The Board wants to make sure they are receiving a return on their investment. The Chair did not feel the arrangement that the School District has at this time is working and requested a future discussion asking that the District's lobbyists be a part of that discussion.

Item 38, 39, and 40 are being looked at and information will be brought forward at the next budget discussion.

Item 41, reduce teacher training. That has been reduced.

Item 42, reduce transportation for Nova Schools. That is coming back with the magnet programs discussion.

Item 43, reschedule Team Leader meetings in schools from monthly all day meetings to weekly meetings for an hour in the afternoon after school. This will reduce substitute teacher costs of an estimated \$1,733,600 savings. This amount was added to reduce the budget gap.

Item 44, review all stipends. Stipends have been reduced by \$1.6 million.

Item 45, Magnet programs are coming back for a future discussion.

Item 46, media centers were discussed. If a media specialist is cut a media clerk or teacher can be used.

Item 47, four-day work week for the full year. The Board does not want to do that at this time but did say that if the furlough does not happen this may be the next step. A four-day work week was done last year during the summer and is scheduled for this summer.

Item 48, shorten boundaries for Magnet Programs. That is a future discussion.

Item 49, area wide contest to reduce utility costs by the largest percentage. There has been a \$5.1 million cost avoidance for 2009-10.

Item 50, suspend travel for all staff. The Board stated that this includes them. Travel that is grant supported will continue. It was suggested to cut mileage reimbursement by 50%. This has to be looked into to see if there are any legal ramifications.

Item 51, Thanksgiving furlough, calendar reductions, and five-day furloughs was the next item discussed. A five-day furlough, with all unions included would save the school district \$31,000,700. The Teacher's Union must be a part of this and make up the largest savings amount. This amount takes us over the needed dollars to close the budget gap. Any extra dollars over that amount would go to schools and save jobs. Without BTU there is a savings of \$7,700 million. In order to close the budget gap BTU must be a part of the furlough.

Calendar reductions for Principals were discussed. The Superintendent would rather do a furlough than change a Principal's contract. Due to the emergency situation the School District is in, hopefully all of the cuts that have been made for this year to balance the budget are only for one year. None of these cuts would have been necessary if the State would have adequately funded education, something the State has not done for over three years. This year the School District has had to make the hard decisions to make drastic budget cuts to balance the budget.

If BTU does not get on board with the five-day furlough, then the Board would like the other unions to go ahead with the furlough for those employees and everyone may have to pay a portion of their health insurance.

Item 52, use county buses for transportation. This would cost the district more dollars.

Item 53, special teachers. This is a union contract issue.

Item 54, TDIF issues. This is a BTU contract negotiation. If negotiations were successful, this would be \$1.6 million to reduce the budget gap.

Item 55. Nova schools. This discussion is coming back.

Item 56. Eliminate all recognition programs, but keep Teacher of the Year and Non-instructional of the Year. Board Member asked that costs be reduced by not offering food and hold the function at a school auditorium.

Item 57. Change the paper towel dispensers. Staff is looking into this to find a more economical way.

Item 58. Principals on an 11-month calendar. This item was part of the furlough discussion

Item 59. The 9th Grade Annex. This will be discussed at the May 11th Workshop, Administrative Sites Relocation Strategy.

Item 60. Where are cuts being made at the administrative offices? First there was a 5% cut then a 12% cut this year. A total of 17% or \$15 million was cut from the administrative offices. The Superintendent informed the Board that an additional \$5 million would be cut from the administrative offices.

Item 61, uniform budget policy. The district currently has a uniform budget guideline.

Item 62, media centers, this was already discussed.

Item 63, is the School Board allowed to sell bonds to generate money for the schools? Long-term bonds cannot be sold. Short-term bonds can be sold but have to be paid back next year.

Item 64, BRITE budget reduction. Reductions have already been done with a total savings of \$5,642,420. This has been added to reduce the budget gap.

Item 65, Union suggestions. Most of the suggestions have been included in this report, such as TDIF, travel and administrators' calendars.

Board Members had a final suggestion of stopping newspaper and magazine subscriptions.

After adding all the dollars to reduce the budget gap the total came to over the \$189 million needed. Some of these dollars depend on union negotiations.

Staff will continue to provide information. The Superintendent thanked all of his staff for all the work they do saying they were a tremendous administrative team and listened to the Board's direction. The School District is on the right track.

Material for this presentation can be found on the eAgenda May 5, 2010 workshop.

JFN:jd