

Rudolph F. Crew, Ed.D., Superintendent of Schools

SUBJECT: REQUEST FOR APPROVAL OF SUPERINTENDENT'S REALIGNMENT OF DISTRICT SALARY POSITIONS WITH DISTRICT PRIORITIES

COMMITTEE: BOARD WORKSHOP – OCTOBER 20, 2004

- 1. RECEIVE THE AUDITED STRATEGIC ASSESSMENT OF SALARIED POSITIONS**
- 2. APPROVE REALIGNMENT OF STAFF IN ACCORDANCE WITH DISTRICT AND BUDGET PRIORITIES**
- 3. AUTHORIZE THE SUPERINTENDENT TO MAKE MINOR PERSONNEL ADJUSTMENTS IN THE REORGANIZATION, IF NECESSARY, AND REPORT IN WRITING TO THE BOARD**

In August, the Superintendent presented three strategic priorities to the School Board – eliminating low-performing schools, raising achievement for all students in all schools, and improving business and construction practices. These strategic priorities were chosen because they lead to fulfilling the vision of a high-functioning, well-respected school system that equitably and resourcefully serves all children. Operationally, the organizational structure and budget must be aligned towards accomplishing the established goals. Both the organizational structure and budget must be viewed as the means by which the school system serves all children.

It was with this standard in mind that the members of the Cabinet were asked in September to begin re-examining the organization of non-school site departments and offices. Several conditions render such a review particularly timely.

FINANCIAL OUTLOOK FOR THE DISTRICT

The financial outlook for the district is uncertain at best. Continuing uncertainty around the Legislature's action to revise the District Cost Differential leave M-DCPS vulnerable to significant losses of state aid in the coming years. Although the district has entered into litigation about the current calculation of the District Cost Differential (DCD), the outcome of the suit will not be known until at least December. More importantly, the 2005 legislative session must be completed before it can be known whether use of the new calculation method for the DCD will prevail for the second year. If the new calculation method does indeed prevail, Miami-Dade stands to lose an estimated \$58.6 million for 2005-06 and upwards of \$102.7 million during 2006-07.

The impact of this year's record hurricane season on state tax collections and ultimately on state funding, at least for the short-term, cannot be determined, including its impact on the peak winter tourist season. While the district is adequately insured against

windstorm loss with commercial insurance supplemented by FEMA, nonetheless, the impact of a hurricane on this community could precipitate major short-term expenditures. While our school system largely has escaped its calamitous impact, this year's historic hurricane season make abundantly clear the need for a sizeable contingency reserve to protect against any sort of rainy day. For these reasons as well as the dictates of fiscal responsibility, it is essential that the district build its reserves in the Adopted Budget for the General Fund into the range of five percent (or over \$100 million) rather than the current \$40 million or less than two percent. Building that level of Contingency Reserve would also be viewed favorably by credit rating agencies and could serve to restore our financial outlook to stable or even result in an upgrade.

Education is fundamentally a person-to-person enterprise. M-DCPS must be prepared to continue to pay its teachers and other employees a competitive wage. We must scrutinize and analyze district resources and realign them so that they directly and effectively contribute to the mission of the district - improving educational and learning opportunities for students. Realigned resources will be utilized to strengthen the instructional and curriculum bases of the district with primary focus on literary access across all grades, technology in the middle schools and preparation for the world of work at the secondary level.

STRATEGIC REASSESSMENT PROCESS

The process by which senior staff members worked to reorganize and realign the central administration was sensible and equitable. The starting point was a thorough examination of the functions performed by each department and office to determine what remains useful in helping students achieve and what can no longer be justified by its effectiveness. The next stage was to compare the personnel allocated to functions to assess if those resources were appropriate. Throughout the work, the needs of students and parents were kept at the forefront. It is important to note that the process was conducted in a standardized way from department to department and was pursued with a goal of transparency in mind. **No targets were prescribed for reductions in costs or in personnel, and only positions – not individual staff members – were considered in making decisions about functions or personnel allotments.**

The Office of Management and Compliance Audits reviewed and summarized the materials provided by the various Cabinet members. The objectives of this review were to determine whether:

- the process was fair and transparent;
- forms were provided by all participants in a consistent manner; and
- all participants provided verifiable and comparable documentation.

The process was also reviewed by the School Board Attorney's office and by the Labor Relations attorney. In addition, Human Resources reviewed the following:

- labor contract provisions
- legal compliance
- adverse impact

We will continue to review our cost structure to determine additional opportunities for reduction. The next step in our continuous improvement process will be to review non-salary expenditures. There will also be additional work to review other potential salary reductions.

RESULTS

The most compelling proof of the soundness of the process may be in the results it has yielded in the interest of teaching and learning and its alignment to the Superintendent's reform initiatives:

- An Office of School Facilities is proposed in Item A-5 of the School Board's agenda from the reorganization of the existing Maintenance, Planning and Construction departments. The new office will produce a plan that meets all facilities needs and will improve the delivery of service with tangible results in the creation of a much larger number of new student stations and in significant reduction of the backlog of deferred maintenance. Accountability will be enhanced by organizing work teams for each regional office.
- The 39 schools in the School Improvement Zone will receive support from 92 employees who will now report to the Deputy Superintendent for School Improvement. These employees will be transferred from central curriculum support(34), math and science school-based staff (8), and school-based social workers and psychologists from other access centers (50). These staff members will serve to further the work of the Zone. Specifically, these employees will improve school's ability to assess, diagnose, and intervene with student's to maximize academic achievement.
- Eighty-nine employees previously assigned to a central office of adult and vocational education will be reassigned to the six regions, an important step in bringing to life a vision of M-DCPS that reaches from **child care to adult learning** in a way that more fully satisfies the needs of this community.

In all, 500 employees are being realigned to make M-DCPS a more efficient and effective operation.

In addition to the realignment, a total of 727 positions will be eliminated from school (non-instructional) and non-school sites. Of these, 205 positions are currently filled and another 522 are budgeted, but currently open. **These reductions will free \$35.6**

million for the school system to reallocate to further its three priorities and/or other school, student and community needs. One of these priorities is to be able to offer a salary improvement to teachers in order to make their entry level salaries competitive with teacher schedules in surrounding counties. A large portion of these savings will allow us to increase our contingency reserve and offer us an opportunity to improve our credit rating.

IMPLEMENTATION

The employees affected by these reductions will be treated with dignity, respect, and appreciation for their contributions to the district. Human Resources will review the current title and credentials of each affected employee to determine their eligibility for vacancies that exist throughout the school system. After the realignment, there will be 291 open positions at non-school sites and an additional 276 teacher vacancies. Additionally, outplacement assistance will be available. A hot line desk and personal counseling, related to employee benefits, will also be established. Each employee will be directly notified of these services and provided with a severance kit. Individuals who leave service with accrued sick leave will be compensated at the appropriate rate. We will ensure that personalized attention is provided to each of these individuals.

RECOMMENDED:

That effective October 20, 2004, or as soon thereafter as can be facilitated, The School Board of Miami-Dade County, Florida:

1. receive the strategic assessment results of district salaried positions;
2. approve realignment of staff in accordance with district and budget priorities;
3. approve the payment of accrued sick leave for employees whose positions may be eliminated; and
4. authorize the Superintendent to make minor personnel adjustments in the reorganization, if necessary, and report in writing to the Board.