

Vera A. Hirsh, Assistant Superintendent
Human Resources, Recruiting and Performance Management

**SUBJECT: REQUEST FOR APPROVAL OF SUPERINTENDENT'S
REORGANIZATION AND RESTRUCTURING OF SELECT
DISTRICT OFFICES AND A REDUCTION-IN-FORCE/
LAYOFF OF SELECT POSITIONS**

- 1. APPROVE THE PROPOSED REORGANIZATION AND
RESTRUCTURING OF SELECT DISTRICT OFFICES**
- 2. APPROVE A REDUCTION-IN-FORCE/LAYOFF FOR
COLLECTIVE BARGAINING UNITS AND EMPLOYEE
ORGANIZATIONS**
- 3. AUTHORIZE THE SUPERINTENDENT TO IMPLEMENT
A RE-ABSORPTION PLAN AND SEPARATION PLAN
TO ALL IMPACTED EMPLOYEES (WHICH INCLUDES
OUTPLACEMENT ASSISTANCE)**
- 4. AUTHORIZE THE SUPERINTENDENT TO PROVIDE
TERMINAL PAY (FOR ACCRUED SICK LEAVE) TO
ALL IMPACTED EMPLOYEES AND A RETIREMENT
INCENTIVE TO ELIGIBLE EMPLOYEES**
- 5. AUTHORIZE THE SUPERINTENDENT TO MAKE
MINOR PERSONNEL ADJUSTMENTS, IF
NECESSARY, AND REPORT IN WRITING TO THE
BOARD**

COMMITTEE: SCHOOL SUPPORT ACCOUNTABILITY

**LINK TO STRATEGIC
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

The development of this Board agenda item is consistent with maintaining the core values of the District; improving student achievement; protecting the classroom; protecting teachers, and insuring fiscal viability. During the 2009-2010 school year, the District took significant precautions to maintain a balanced budget, including holding to a strict hiring freeze with the exception of hiring classroom teachers. Although the District has made significant reductions, over \$400 million in the past three years, it will close its books with more than \$70 million in the contingency fund, a factor that contributed substantially to an improved Moody's rating from a negative to stable outlook, which was not the norm for other districts throughout the state.

The 2010-2011 school year continues to present many fiscal challenges; the District must account not only for a significant drop in the collection of Miami-Dade County property taxes, but also must strive to meet the constitutional class size mandate with limited additional funding from the state. Further, the Florida Legislature assumed an

increase of 4,244 FTE for Miami-Dade County Public Schools (M-DCPS) in the budget. These students have not materialized at this time. To date, the District has taken many steps to reduce non-salary expenditures for next school year in hopes of mitigating the number of M-DCPS employees who are affected.

A conscious decision has been made to exclude reductions in teaching positions, services to the classroom, security, custodial, maintenance and other positions representative of the most vulnerable members of our workforce. However, reductions are still needed to ensure a balanced budget. Reduction and downsizing of District and non-school site positions, as well as deployment of personnel to schools to meet the constitutional class size mandate are being recommended in this Board item.

This Board item proposes a reduction of \$8 million through a reorganization and restructuring of non-school site offices which result in the elimination of non-school site positions. This is a 40% reduction of administrative expenditures since 2008-2009. These recommendations will assist the District in responding to what appears to be a deteriorating fiscal outlook for 2011-2012.

Reorganization and Re-Structuring

In accordance with Florida Statute Sections 1001.49 and 1012.27, and School Board Rule 6Gx13-4A-1.15, it is within the Superintendent's authority to recommend reorganization to the School Board for approval.

- The proposed reorganization will streamline operations and enhance strategic alignment by:
 - Identifying and eliminating operational redundancies with a focus on meeting constitutional class size limits and school improvement requirements;
 - Eliminating inefficient business practices to reduce operating costs and generate a balanced budget;
 - Aligning staffing levels with current workloads and priorities;
 - Establishing functional positions to support the self-insurance program.

- The proposed reorganization will bring efficiencies and improvements to the organization including:
 - Establishing a new cabinet level position as required by Florida Statute and School Improvement Grant guidelines to provide a continuity of support to persistently low performing schools as designated by the State's school improvement policy, this is a grant-funded position;
 - Continued downsizing of capital-funded workforce in accordance with reduced revenues;
 - Leveraging school facilities staff to provide essential maintenance to our schools and to complete capital projects in progress.

The reorganization is being proposed for the District at this time to help balance the 2010-2011 budget, to continue to improve efficiencies, and to establish reporting structures required by the state before the beginning of the school year. The following are changes recommended to several District offices that are part of the \$8 million in savings to the District.

- **Financial Services** is streamlining its processes by capitalizing on the District investment in technology through the elimination and the realignment of positions.
- **Human Resources, Recruiting and Performance Management**, in concurrence with the SAP implementation of organizational management eRecruiting and HR 2.0 is establishing a dedicated work location in order to ensure smooth implementation of the aforementioned modules. Other changes include pay grade changes and the opening of an Employee Service Center.
- **School Facilities** is reducing project management and related positions in accordance with funded capital workload, consolidating work locations and functions, realigning existing Maintenance workforce, eliminating one regional maintenance center, reassigning personnel and establishing a work unit to perform in-sourced project work worth approximately \$26 million.
- **Curriculum and Instruction** is realigning instructional programs to ensure greater efficiency and productivity in the delivery of services. Twenty-nine positions have been eliminated and job duties have been restructured to ensure continuity of services. Changes include the addition of the federally required District Turnaround Office that will be charged with directing systemwide school improvement efforts, as well as direct management of the School Improvement Grant.
- **School Operations** is reducing its non-school site managerial exempt staff by three positions. However, it is necessary to fill open school site positions (e.g. principals and assistant principals) and to transfer or reassign school site administrators as required by the Florida's School Improvement Grant.

Deployment of Non-School Site Staff to Schools to Meet Class Size Requirements

The Florida Constitution requires that beginning with the 2010-2011 school year, class by class limits would be 18:1 in grades pre-k through 3; 22:1 in grades 4 through 8; and 25:1 in grades 9 through 12 in core courses. The Florida Legislature did pass SB2 placing the issue back on the ballot in the November 2010 general election, modifying the current language to allow compliance to remain at the school average with hard caps. In order for the measure to pass, it requires a 60% approval rate by the electorate, a very high threshold to achieve. Therefore, a plan has been developed to make every effort to meet the class size requirements within available resources for August 2010, by:

- Fully allocating the State's \$14 million Class Size Reduction appropriation;
- Establishing virtual school courses in at least 20 high schools;

- Requiring reading, mathematics, and science coaches, with the exception of turn-around schools, to teach one class;
- Requiring other instructional staff to teach classes;
- Deploying approximately 200 non-school site personnel, including curriculum support specialists and selected managerial exempt personnel as needed to meet class size requirements. The individuals being deployed will result in a further downsizing of non-school site offices and a re-distribution of funding to schools of up to a potential \$12 million.

Reduction-in-Force/Layoff

Authorization of the Board is requested to approve a Reduction-in-Force/Layoff of selected positions in accordance with Florida Statutes 1001.49 and 1012.27, School Board Rules 6Gx13-4D-1.022, 6Gx13-4D-1.023 and the District's collective bargaining agreements.

Several actions that were taken during the 2009-2010 school year mitigated the number of positions being recommended for a reduction-in-force/layoff such as a strict hiring freeze. The school allocation plan approved by the Board in 2009 aligned clerical assignments to Full Time Equivalent (FTEs) at school sites resulting in 220 over allocated clerical positions at schools. For the 2009-2010 school year these employees did not occupy generated positions. Over this past year, 50 positions have been mitigated through attrition. However, there are still 170 school-site clerical staff over the budgeted allocation for schools. It is the intention of this Board item to recommend that the 170 school-site clerical remain employed for the 2010-2011 school year, which means, that the District will have absorbed these individuals for two years, instead of laying them off. These individuals will be employed with the following provisions:

- Over allocated employees will not remain at their current school-site locations;
- During the 2010-2011 school year, these aforementioned employees will be moved to any open positions for which they are qualified as they become available; remaining employees not generated in the budget will have their positions terminated by June 30, 2011; assistance will be provided to these individuals through workforce development.

Furthermore, should there be a substantial change in the District economic outlook as a result of loss of funding; Board policy changes, health care increases, or changes in collective bargaining agreements, there may be a need to revisit this recommendation.

Capital Construction Project Management and other support areas have been reduced by 41% this fiscal year, even though the recommended reduction-in-force for Dade County School Administrators Association (DCSAA) positions represents less than a 1% decline. Twenty-eight DCSAA positions are being proposed for elimination this fiscal year, including positions in facilities, technology and financial services, and in the office of Audit and Investigative Affairs. Additionally, 11 non-school site UTD clerical positions, 11 confidential exempt (CEP) positions and 15 non-school site managerial exempt positions (MEP) have been recommended for elimination.

In total, this proposal impacts 65 central office positions, of which 42 are currently filled. Many of the employees affected by these reductions have college degrees which may make them eligible for classroom teaching positions, including mathematics and/or science. Affected employees selecting the option of becoming classroom teachers will participate in intensive professional development before school begins, as well as professional development throughout the school year. In fact, several of the affected employees already hold teaching certificates.

To date, none of the incumbents in the aforementioned positions have been terminated.

Re-absorption Plan, Separation Plan and Outplacement Assistance

The employees affected by these reductions will be treated with dignity, respect, and appreciation of their contributions to the District. The Office of Human Resources, Recruiting, and Performance Management, with assistance from Labor Relations, will review the current title and credentials of each impacted employee to determine their eligibility to seek re-employment in vacancies for which they qualify, within the school system.

A separation plan has been developed to provide an array of services, including outplacement assistance to employee. Each employee will be directly notified of these services and provided with an individual assistance plan. The separation plan will also address any individual issues affecting impacted employees.

Terminal Pay (Sick Leave), Annual Leave (Vacation Leave), and Employee Benefits and Retirement Incentive to Eligible Employees

Upon termination, all individuals will be compensated for their accrued annual leave (vacation leave) in accordance with School Board Rule 6Gx13-4E-1.18. Although not mandated by collective bargaining agreements or School Board Rule, the Superintendent is requesting authorization to provide terminal pay (accrued sick leave) to all employees who are terminated as part of the Reduction-in-Force/Layoff.

Employee benefits which include, healthcare for employees and covered dependents, flexible benefits and life insurance, will be provided in accordance with the provisions of the pertinent collective bargaining agreements and according to Federal and State laws, including COBRA continuation of benefits.

A retirement incentive will be offered to eligible employees whose positions are being eliminated through this reduction-in-force/lay-off. This retirement incentive offers Board paid health insurance not to exceed 36 months. Details of this retirement incentive are reflected in Board Agenda Item Replacement D-10 approved by the Board on April 14, 2010. To date, 146 employees are taking advantage of the retirement incentive plan effective July 1, 2010. Only classroom teaching positions will be replaced; the remaining positions will be eliminated.

Total Savings

The 2010-2011 projected savings resulting from this Board Agenda Item is approximately \$8 million.

RECOMMENDED: That effective July 15, 2010, or as soon thereafter as can be facilitated, The School Board of Miami-Dade County, Florida:

1. Approve the proposed reorganization and restructuring of select District Offices
2. Approve a Reduction-in-Force/Layoff for collective bargaining units and employee organizations
3. Authorize the Superintendent to implement a re-absorption plan and separation plan to all impacted employees (which includes outplacement assistance)
4. Authorize the Superintendent to provide terminal pay (for accrued sick leave) to all impacted employees and a retirement incentive to eligible employees
5. Authorize the Superintendent to make minor personnel adjustments, if necessary and report in writing to the Board.