

Dr. Marta Pérez, Board Member

SUBJECT: REHIRES

COMMITTEE: SCHOOL SUPPORT ACCOUNTABILITY

LINK TO STRATEGIC FRAMEWORK: SCHOOL/DISTRICT LEADERSHIP

Governments throughout the State of Florida continue facing a dismal economic future. The inefficiencies inherent within bureaucracies, especially large ones, add to the problem. One area of criticism currently directed at school districts is the potential abuse of rehiring retired employees.

Originally, the State devised the Deferred Retirement Option Program (DROP) to encourage long-serving employees to retire early, thereby relieving districts of the most expensive employees on the payroll and encouraging the development and promotion of lower-paid personnel.

DROP allows for the calculation of retirement benefits at the time the DROP period begins, the monthly retirement sums accumulate in a Trust Fund, and the individual continues employment for up to five years. At the end of the DROP period the employee starts retirement and the accumulated monies are paid to the employee who then starts receiving monthly retirement payments. Some feel the program backfired because some retired administrators are rehired. Rehired administrators not only receive monthly retirement benefits but substantial salaries and fringe benefits as well when they are rehired.

Current law allows retired employees to return to work for employers that participate in the Florida Retirement System (FRS) after a 6-month wait period. The School Board of Miami-Dade County (Board) has a policy to rehire administrators at the beginning of the pay scale for the position. The problem with this is that beginning salaries for some positions are often close to, or at, three figures. At the same time, our teachers, who should be our central focus, begin employment with far lower salaries. } Revised

Our legislators, a few years ago, determined that some school district employees employed in non-classroom positions such as School Board Members should only be rehired at beginning teacher salary. The program was accepted without controversy.

The intent of the item is to avoid further abuses and restore the public's confidence in our fiscal management. This should not be constructed as criticism of individual rehired administrators who have returned to critical-need positions. Indeed, employees who

return to the district after retirement pledge they return, not for the money, but for their dedication to education. However, at this juncture, the district must find economies in all its practices.

We currently have retired employees who were rehired to fill key positions and who serve the district with great distinction. These may be grandfathered in, since they were hired under different rules.

**ACTION PROPOSED BY
DR. MARTA PÉREZ:**

That the Superintendent review current practices for the rehiring of retirees and report to the School Board with recommendations by the April 13, 2011 School Board Meeting. } Revised