

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

**SUBJECT: REQUEST FOR APPROVAL OF SUPERINTENDENT'S TRANSFORMATION INCLUDING A 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 RECLASSIFICATION/TITLE/PAY GRADE CHANGES OF MANAGERIAL EXEMPT PERSONNEL (MEP) POSITIONS
3. APPOINT AND ASSIGN MEP PERSONNEL
4. APPROVE A REDUCTION-IN-FORCE/LAYOFF FOR BARGAINING UNITS AND EMPLOYEE ORGANIZATIONS THAT PROVIDES FOR A PHASED REDUCTION-IN-FORCE/LAYOFF BASED UPON COMPLETION OF CAPITAL FUNDED PROJECTS BEGINNING NOVEMBER 2009 THROUGH OCTOBER 2010
5. AUTHORIZE THE SUPERINTENDENT TO IMPLEMENT A RE-ABSORPTION PLAN AND SEPARATION PLAN TO ALL IMPACTED EMPLOYEES (WHICH INCLUDES OUTPLACEMENT ASSISTANCE)
6. AUTHORIZE THE SUPERINTENDENT TO PROVIDE TERMINAL PAY (FOR ACCRUED SICK LEAVE) TO ALL IMPACTED EMPLOYEES
7. RECEIVE ORGANIZATIONAL CHARTS
8. AUTHORIZE THE SUPERINTENDENT TO MAKE MINOR PERSONNEL ADJUSTMENTS, IF NECESSARY, AND REPORT IN WRITING TO THE BOARD

Revised

**COMMITTEE: SCHOOL SUPPORT ACCOUNTABILITY**

**LINK TO DISTRICT STRATEGIC PLAN: REFORM BUSINESS PRACTICES TO ENSURE EFFICIENCY AND EFFECTIVENESS**

Due to state policy decisions and a historic drop in the tax roll yield, current projections show a 37% drop in capital revenue from 2007-08 to 2010-11, with little improvement thereafter. To address this loss of funding, the District will have to radically transform its construction and maintenance programs over the next three years. The severity of future reductions will depend on our success in advocating for supplementary revenue streams; however, immediate action must be taken, and this item reflects step one in the transformation.

Revised

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This first step proposes strategic cost-saving measures that significantly alter the manner in which the District conducts its construction projects, while mitigating the number of M-DCPS employees who are affected. Specifically, this Board Item proposes the following budget savings:

- \$8.6 million in capital-abated salary expenditures
- \$2.6 million in expenditures for contracted employees
- \$41.0 million in capital funded contracts

### **Reorganization and Re-Structuring**

The proposed reduction in capital-abated salary expenditures was accomplished, in part, through a strategic transformation and reorganization of the departments within the Facilities bureau. This transformation represents a continuation of the transformation that was approved by the School Board in Agenda Item A-3, November 18, 2008. However, this transformation phase identifies efficiencies in capital funded programs, which were not addressed in the aforementioned November School Board Item.

In the absence of additional new revenue sources, further reductions in District-wide abatements to the Capital Fund will be required for the 2010-11 Fiscal Year. These cuts will entail additional reductions in force.

This proposed transformation phase also includes numerous employees being recommended to positions reflecting a new direction for the department. These new configurations will leverage existing personnel to establish a unit dedicated to developing and implementing a District-wide sustainable program aimed at achieving cost savings for the District through a variety of "Green" initiatives. This program will help establish a carbon footprint baseline for the District. This baseline will enable quantification of cost reductions and other measurable efficiencies, and favorably position the District for federally funded incentives, such as cap and trade, or any other allocations that may become available as part of federal environmental protection programs.

Additionally, this initiative will enable the District to join forces with other public entities in the county implementing similar programs, and in that way share resources and savings as part of a larger sustainability pool.

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. Additional information about the reorganization, inclusive of organizational charts and job descriptions, will be provided to the Board under separate cover. Furthermore, School Board Rule 6Gx13-4A-1.15 states that when the aforementioned matter is to be considered by the School Board, the following information must be provided:

- *An explanation as to how the proposed job positions to be established, abolished or reclassified in the reorganization meet or enhance the school district's strategic plan.*

The proposed reorganization will streamline operations and enhance strategic alignment by:

- Identifying and eliminating operational redundancies and misalignment of resources;
- Eliminating ineffective business practices to reduce operating costs and generate a balanced budget;
- Aligning staffing levels with current workloads and priorities.

These proposed actions were based, in part, upon the preliminary findings of the review conducted by the Council of Great City Schools that was requested by the Superintendent.

- *A statement of what improvements, if any, the reorganization will bring in the operations of the school district stating the objectives and desired outcomes of the organization.*

The proposed reorganization will bring efficiencies and improvements to the organization including:

- Establishing a new regional facilities configuration to align with our other Bureaus that together will provide a continuity of support to our schools;
  - Leveraging these new configurations to launch a District-wide sustainable "green" initiative to identify cost-saving measures as well as reduce the District's environmental impact and carbon footprint.
- *A statement as to the budgetary impact of the proposed positions to be established, abolished or reclassified.*
    - The proposed reorganization will result in a net savings of approximately \$1.6 million for the 2009-2010 fiscal year; this represents a portion of the overall \$8.6 million reduction in capital-abated salary expenditures.
  - *A statement as to the reasons for the timing of the reorganization.*
    - The reorganization is being proposed for the District at this time to help balance the 2009-2010 budget.

In addition to the proposed transformation within the Facilities bureau, three additional realignments are being proposed:

- The office of Civil Rights Compliance, currently reporting to the Office of Management and Compliance Audits, will be re-aligned under the Human Resources bureau.
- The Project Impact program, currently reporting to the School Police, will be re-aligned under the School/District Operations bureau.
- Adult/Vocational Schools, currently reporting to the regional centers, will be re-aligned directly to the School/District Operations bureau.

These three proposed realignments will not have any fiscal impact nor will they have any impact on personnel other than a change in reporting structure. }

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### **Reduction-in-Force/Layoff and Contracted Position Eliminations**

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.

#### *Capital-Abated Salaries*

For the proposed facilities transformation, the functions of capital-funded departments were thoroughly reviewed in determining the depth and breadth of the proposed Reduction-in-Force. Additionally, positions within Information Technology Services department were analyzed to determine economies of scope and efficiencies within job duties. Lastly, capital-abated salary expenditures were identified for elimination. This includes salaries and fringes paid to employees which were abated to Capital during the 2008-09 fiscal year. These employees separated from the District during the current year and their positions remain vacant. In turn, no related salary expense will be charged during the 2009-10 school year.

#### *Contracted Employees*

To further address the budget shortfall, contracted program management services will be significantly reduced. These services represent the work of 32 contracted employees whose functions can either be reduced or fulfilled with internal staff.

#### *Summary*

In total, this proposal impacts 204 District positions, only 47 of which are currently filled. The proposed position reductions by employee group/bargaining unit are displayed below:

American Federation of State County and Municipal Employees – 29 positions (0 filled)	} Revised
Confidential Exempt Personnel – 8 positions (8 filled)	
Dade County School Administrators' Association – 77 positions (23 filled)	
Dade County Public Schools Maintenance Employee Committee – 58 positions (0 filled)	
Managerial Exempt Personnel – 4 positions (1 filled)	
United Teacher of Dade (non-instructional) – 28 positions (15 filled)	

To date, none of the incumbents in the aforementioned positions have been terminated. ***Employees belonging to those employee groups and bargaining units that have taken recess days over the 2008-2009 school year will not be terminated prior to the delivery of the 2009-2010 service incentive payment.***

The aforementioned elimination of 32 contracted positions is not reflected in the summary above.

### **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.

Additionally, a separation plan has been developed to provide an array of services, including outplacement assistance. 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**

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.

### **Contracted Services**

The aforementioned reorganization and Reduction-in-Force/Layoff will help align and redeploy resources in the most effective manner to serve our schools. These actions, combined with elimination of all but the most specialized outsourced facility maintenance functions, will allow the District to save \$41 million in contracted services for fiscal year 2009-2010. In turn, essential services will be prioritized and provided by District staff as opposed to external sources.

## Total Savings

The 2009-2010 projected savings resulting from this Board Agenda Item is approximately \$52.2 million.

**RECOMMENDED:** That effective July 16, 2009, 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 Reclassification/Title/Pay Grade changes of the following MEP Positions, and } Revised
3. Appoint and assign MEP personnel:
  - a. Victor Alonso, Construction Officer, pay grade 25 to Administrative Director, Design and Sustainability pay grade 24 } Revised
  - b. Nazira Abdo, Administrative Director, A/E Selection, Negotiations and Design Management, pay grade 24 to District Director A/E Selection, Negotiations and Design Management, pay grade 23
  - c. Carl Nicoleau, Administrative Director, Maintenance Operations, pay grade 24 to Maintenance Officer, Maintenance Operations, pay grade 25
  - d. Fernando Albuerne, Administrative Director, Facilities Planning, pay grade 24 to District Director, Facilities Planning, pay grade 23
  - e. } Deleted
  - f. Rolando Necuze, District Director, Advanced Planning, pay grade 23 to Executive Director, Advanced Planning, pay grade 22
  - g. Ray D. Davis, Executive Director, Sourcing Management, pay grade 22 to Director, Facilities Services, pay grade 21
  - h. Michael Krtausch, Executive Director, Sourcing Management, pay grade 22 to Director, Facilities Services, pay grade 21
  - i. Ruben Garcia, Executive Director, Operations Management and Planning, pay grade 22 to Director, Operations Management and Planning, pay grade 20

j. Abby V. Walker, Executive Director, Employee Resources, pay grade 22 to Director, Employee Resources, pay grade 21

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} Deleted

l. Ana Rijo-Conde, Facilities Planning Officer, pay grade 25 to Eco-Sustainability Officer, pay grade 25 } Added

4. Approve a Reduction-in-Force/Layoff for collective bargaining units and employee organizations that provides for a phased reduction-in-force/layoff based upon completion of capital funded projects beginning November 2009 through October 2010
5. Authorize the Superintendent to implement a re-absorption plan and separation plan to all impacted employees (which includes outplacement assistance)
6. Authorize the Superintendent to provide terminal pay (for accrued sick leave) to all impacted employees
7. Receive the Organizational Charts
8. Authorize the Superintendent to make minor personnel adjustments in the organization, if necessary and report in writing to the Board.