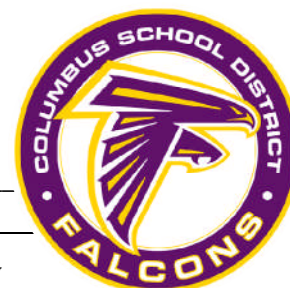


## ***Budget Update for Columbus Schools Family***

Date: February 14, 2012

Subject: ***Columbus Schools Emergency Measures Taken Improve District's  
Financial Standing for FY 2012-2013***

From: Dr. Martha Liddell, Interim Superintendent of Education



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### **MESSAGE TO COLUMBUS SCHOOLS' STAFF**

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#### **Providing a Quality Education in Tough Economic Times - Is a District Priority**

As an educator who has taught in classrooms, served as principal of two schools and have served in administration for many years, it is important to me that teachers not be expected to bear all the burden of the cost savings needed to balance the district's budget. Everyone needs to pitch in to keep our beloved school district out of the red. I want to remind all employees of Columbus School District that cuts are being made from the top down in Columbus Schools because classroom teachers are the lifeblood of any high performing school system.

#### **Reduction in Force – What It Means for Columbus Schools**

Although Columbus School District recently had to implement the emergency measure of *Reduction in Force* (RIF) policy by treating all employees with less than two years of continuous service the same. I want to assure everyone that every certified employee who was included in the RIF process was treated fairly and consistently. Only certified staff members including teachers, counselors, coaches and administrators, who have less than two years continuous service in Columbus School District or who had not completed a continuous period of two years of employment in a Mississippi Public School District and one full year of employment with the school district were a part of this emergency cost savings measure. No employees who met the criteria was treated differently or exempted from the district's RIF policy because that would not have been fair or legally defensible.

#### **Dedicated Columbus Teachers & Parents Deserve Respect**

A dedicated group of teachers (and parents) attended the Board meeting held Monday at the Municipal Complex many of whom expressed a willingness to accept pay cuts across the board to help with the district's financial crisis. I don't think I've ever seen such unselfishness in my nearly 24 years in education. Columbus has great teachers and administrators who show great concern for one another. They show great concern for their administrators and colleagues. I can tell you that there is not a single member of the Board of Trustees or Columbus Schools Management Team who does not deeply respect the hard work of all Columbus Schools' educators.

#### **RIF – Fair Across the District**

Please know that applying the district's RIF policy to our new teachers makes me and the Board of Trustees as sad as we would be to non-renew experienced teachers who are also doing a great job in their classrooms. However, after meeting with each building level principal individually over the past months, the data showed that there were not enough teachers on unsuccessful improvement plans across the district to non-renew for inadequate performance in the classroom. In addition, state employment guidelines for certified staff do not allow administrators to simply choose (cherry pick) teachers from their existing teaching staff and decide they should be non-renewed because the district needs to cut personnel costs. The state's due process laws protects veteran teachers, as it should, from administrative actions that could be considered vengeful or personality driven when it comes to circumstances that may affect their employment in a school system.

## **Educators and Community Input & Suggestions Matter to Columbus Schools**

Teachers have asked me if they could give up some of their contracted salary days to save their fellow employees. If you'll remember a couple of years ago, the state's Attorney General rendered an opinion that allowed school districts to reduce teacher days across the board by three and take teachers step increases for a year to help balance district's budget. This was an emergency action taken by the state because the expected allocation from the *Mississippi Adequate Education Program* for school districts was reduced mid-year. Many schools districts, including Columbus Schools, were having trouble making ends meet. This was a one-time window that has passed and school districts cannot cut teacher days now without non-renewing teachers or violating state regulations for the number of days schools must be in session. With deepest respect for teachers willing to make this sacrifice, it would take nearly every teacher sacrificing more than three days each to save the district enough funds to balance next year's budget without raising taxes. I know your hearts are in the right place and I'm sure your colleagues who are new teachers, thank you as much as I do for thinking of them. Unfortunately, our funding situation for Columbus Schools is much worse than many know.

## **Follow Up Personnel Information Following Board Meeting**

A question asked at Monday's School Board Meeting was why the number of RIF of qualified certified employees increased from 59 to 69 from the original list submitted by the personnel department. Dr. Myra Gillis, CMSD's Personnel Coordinator, explained the changes were due to how employees were coded when they were first hired and later became a certified employee. However to be absolutely sure the RIF list was an accurate representation for affected employees, the Board did not take action on the personnel roster to give the Personnel Coordinator time to re-verify the list and Dr. Gillis has completed verifying and cross checking the list today. We all realize that our educators' livelihoods are being affected by the emergency RIF. It's important to be 100% accurate. Dr. Gillis has taken the time to double check and confirm that the district's RIF do include 69 certified staff members. The RIF distribution for certified staff by school/location is as follows: *(RIF Criteria implemented fairly across the board)*

- Central Office (1)
- CMSD Alternative School (1)
- Cook (9)
- Fairview (3)
- Franklin (8)
- Sale (3)
- Stokes-Beard (5)
- Columbus Middle School (10)
- Columbus High School (27) – *CHS has a larger number of new teachers than the norm for FY 2011-2012.*
- McKellar Technology Center (2)

Total: 69

## **Why Cut So Deep – Can Small Steps Be Taken**

If we could afford to keep all 390 of our current staff of certified employees, we would without any hesitation. However several years of budget shortfalls, borrowing and tapping into the district's reserves to cover recurring costs such as personnel and paying loan payments has brought the district to the brink of financial disaster and unfortunately small steps at this point will not bring the district's finances above water. In the future, I recommend implementing a long-term financial plan for Columbus Schools so expenses can be gradually reduced over a three to five year period. I have already begun work on this plan along with the Management Team and CFO. However, the budget situation has lingered far too long to have the luxury of taking small steps now. If district expenses are NOT reduced, it will take a minimum of 7 mill increase for taxpayers to fund next year's budget. In this economy, this will only drive more businesses and families to the county where the tax rate is lower. In business terminology, this is called going out of business.

## **CMSD Officials & Consultants Worked Together – The Budget Process Has Been Systematic**

After consulting with two financial consultants over the past six months both of whom are former school district business officers and one serves as the state conservator for Senatobia School District, they and our business manager have confirmed what the budget numbers clearly indicate to me: the personnel level for the school district has far exceeded the revenue coming in to the district for several years now. In cases where school districts have been taken over for finances, conservators cut the district's expenses down to the minimum program and teachers and administrators are wholesale released out of their contracts sometime mid-year and many have no opportunity for re-hire. If this happens in Columbus Schools, we would lose our IB programs, our Magnet Schools programs, Destination Imagination, our Contracted Programs (Transportation and Food Service) and many other district innovations we have all worked so hard to build and grow. I'm committed to keeping these programs even if modified for budget reasons—but the Mississippi Department of Education won't be. A MDE Financial Conservator would say if you cannot afford it, cut it.

## **RIF is an Emergency Measure – But Not the Only Cost Saving Measure Used to Cut Costs**

Please keep in mind that *Reduction in Force* doesn't happen every year. Superintendents and School Boards across this state and many other states sometimes have to implement RIF to bring a severely out of balance budget back in line. It's an emergency cost savings measure only and is done to allow school district budgets to improve significantly immediately. Columbus Schools' RIF is not a reflection in any way on an employee's job performance. I can tell you that no district leader or Board member wants to RIF teachers, principals and other certified employees. I can assure you that the recommendation for RIF came only after a thorough six month review of the district's finances including a comprehensive analysis of the revenue compared to expenses by myself, the district's CFO and Budget Management Team. In addition to RIF, we've cut every schools budget expenses down as well (line item by line item) to balance the budget.

Principals have helped us reduce their school's expenses in areas that do not jeopardize quality instruction. Class sizes will increase to state standards which are where 70% of districts in the state currently are in class size enrollment. Because the local and state funding levels for next year are not expected to improve, waiting longer to cut the budget is not a fiscally responsible option for Columbus Schools. The school district is losing local ad valorem funds due to businesses shutting down and closing (Omnova & Sears) and last week *The Clarion Ledger* reported that Governor Bryant said school districts should use their reserves to make up the difference in *Mississippi Adequate Education Program* (MAEP) dollars they won't be receiving from the state to help fund their 2012-2013 budgets. Charter Schools have the potential of taking even more funds away from districts over the next few years. Districts that aren't cost effective will be in serious trouble.

(Learn more): [http://www.nola.com/education/index.ssf/2011/12/charter\\_school\\_advocates\\_look.html](http://www.nola.com/education/index.ssf/2011/12/charter_school_advocates_look.html)

## **Columbus School District Reserves Have Been Depleted**

School Districts reserves are funds that can be used for one time expenditures and to cover budget needs during state funding losses, emergencies and other unexpected costs. The sad news now is that our Columbus School District reserves have dwindled down to less than \$3 million dollars (\$2.7 million to be exact). To make matters worse, Columbus Board of Trustees will have to dip into their remaining reserves approximately \$1.7 million dollars to finish funding this year's budget (2011-2012). To summarize, the RIF action is an "emergency" measure and absolutely necessary for our district's financial survival. The process of building back the district's reserves will involve a Reduction in Force for 2012-2013, gradually reducing staffing through attrition, scaling back operational costs, consolidating services where appropriate, combining administrative positions, and applying for state and federal grants to help protect the district's innovative programs into the future.



### School Budget Staff Meetings Held at Each School – August 2011

If you'll remember the District Management Team, CFO, Board President and I attended faculty meetings this past August at every school in the district and made a presentation on the district's financial state. At that meeting, we explained the state of the district's reserves and informed staff members that the district will have no choice but to reduce its personnel costs to balance the budget. The most asked question I received at these meetings from teachers was "when will the district inform us if we have a job or not for next year." My team and I committed at these meetings to let teachers and administrators know in January 2012. However, due to the time it took to secure cost savings in this year's budget, certified staff members were informed in February. In the worst case scenario, I believe it's only fair to give teachers and administrators as much time as possible to explore their employment options for next school year.

### Administrative, Athletics & Support Service Costs Slashed for FY 2012-2013

Columbus Family, I would be nothing but honest with you. You deserve honesty and respect. By taking the necessary actions to reduce expenses NOW, I have no doubt that Columbus Schools will become financially secure again in the very near future. But that won't happen without painful sacrifice to do what's needed to recover from years of budget shortfalls and stabilize our budget. According to our CFO and financial advisors, it will take over \$5 million dollars in recurring and operational cost savings in order for Columbus School District to avoid financial conservatorship which can easily happen when school districts have less than a 7% balance in reserves. Even with implementing a *Reduction in Force*, the district has trimmed only \$3.4 million dollars of the more than \$5 million needed to reduce next year's budget. I don't think many of our citizens can afford to have their taxes raised even higher than they were this year. I'm committed to not allowing the district's instructional programs to absorb all needed cost savings; I've worked with our district to significantly cut administration, athletics and we have begun working on support services area savings as well.

The list below summarizes administrative, athletics and support services cuts so far that have been slashed from the district's FY 2012-2013 budget:

- ALL Central Office Administrators Cut 15 Days Total (*from the top down*)
- Building Level Principals Cut 15 Total Days
- Building Level Assistant Principals Cut 15 Total Days
- One RIF Eligible Building Principal
- One Assistant Principal Position @ CHS Closed
- One Assistant Principal @ CMS Closed
- One Full Time Central Office Position Closed
- One Jobs for Mississippi Graduate Position Closed – saved \$25,000/salary
- One Retired Administrator – w/Existing Staff
- One Combined Administrator Position @ CO (.5 Savings)
- In 2008, CMSD Funded 4 Assistant Superintendents – That # Has Been Reduced to 2
- One RIF Eligible Coach
- One RIF Part-Time Coach
- CHS Coaching Staff Reduced From 8 to 6
- Athletic Supplements Cut
- Athletics Additional Days Cut
- Athletic Programs Cut to Save Money
- Athletics Budgets Cut for FY 2012-2013
- District Grant Submitted to Industry for Funding for an In-Door Sports Facility (no construction)

- expense to district)
- Athletic Programs Volunteers Support Plan Underway – To Cut Costs
  - Central Office Support Positions – To Be Reduced for Budget Reasons
- Total: \$750,000

In the case of the district's administration costs being further reduced for FY 2012-2013 through attrition and retirements, building administration replacement consideration will be given in any area where the number of existing certified administrators is not sufficient. We anticipate the Governor finalizing a budget before the end of the school year if we are fortunate. When this happens, we will be able to inform principals of the funding levels for the district and they can begin the process of interviewing and hiring teachers to fill positions in critical areas such as special education, secondary education (CMS & CHS) and elementary education based on this year's enrollment numbers.

Teachers who are a part of the district's RIF are eligible to apply for any positions that may become available once the state's budget is finalized in Jackson. Also as veteran teachers and administrators retire or find other employment over the summer, the district may be able to hire back teachers were affected by the district's RIF following a successful interview process with building principals. A very preliminary rough estimate of the number of RIF positions that will need to be hired across the district is 20-35 (or more) following the adoption of state budget. Many of the available positions will need to be filled for Columbus High School and other schools that were impacted most by RIF. The purpose of RIF is to reduce overall staffing to give the district appropriate time to recoup savings and make strategic re-hiring decisions based on needs and enrollment trends. This is not a time for panic; it's a time for teamwork. We will get through this difficult budget picture together in order to educate our students. How can they learn if we give up on them or place adult burdens on their shoulders.

#### *Message from Columbus Schools Board President Today:*

*Board President, Glenn Lautzenhiser said, "This has been a very difficult process of all of us. CMSD is still focused on helping all of our young people to become successful. We solicit the support of all community members to make CMSD an even better district." District leadership is working everyday to bring Columbus School District back from the brink of financial disaster. We owe that to our students and their families, our educators and our community."*