Hillsborough schools are shaving costs, but decisions loom on the big expenses

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Saturday, May 7, 2016 11:32am

TAMPA — Looking for guidance in a tight-money year, the Hillsborough County School District's budget chief asked School Board members to list their priorities.

They came up with three: More sex education, better wages for blue-collar workers, and more driver's aides on school buses. But these were ideas that will cost money, not save it.

Board members said nothing at the Tuesday meeting — a budget workshop — about costs, and they did not know how much money will be available in the next fiscal year.

Carol Kurdell, the longest-serving board member, reminded the group that they have spent the last 10 months trying to reverse a $142 million spending deficit.

"You started out filling a hole," she told superintendent Jeff Eakins and chief of staff Alberto Vazquez.

"The hole is not filled. There will be a hole next year because we will have God knows how many more students. Let's say 5,000. You get some (state) money with them. But then, you don't get enough money."

As summer approaches and the budget season gets under way, the district is a long way from figuring out how to meet student needs without breaking the bank.

Alarming news in July about a rapidly shrinking reserve fund forced leaders into austerity mode. They hired an efficiency consultant. They asked principals to watch costs. They limited overtime pay and travel.
Ten months later, they are fine-tuning the way the organization is run, rather than making dramatic changes to an operation that spends $2.8 billion a year.

Top administrators are being reinterviewed to make sure they are best qualified to oversee key departments. Divisions are drawing up budgets and making choices within those budgets, based on a five-year strategic plan. "This is now a brand-new conversation," Eakins told the board.

Officials have reorganized some departments, with savings that range from $2,700 in logistics and furniture repair to more than $800,000 in transportation.

A new way of verifying transportation overtime saved $650,000, Vazquez said in a recent interview. Having schools close out supply purchases in April instead of May saved $755,000.

But those are relatively small amounts, and larger, more costly issues remain.

High on the list: Transportation.

District buses travel more than 17 million miles a year at a cost of $73 million. And the state provides only $33 million of that from its dedicated transportation account, said chief business officer Gretchen Saunders. The other $40 million is money that, absent transportation costs, could remain in the schools.

Courtesy busing for students who live within 2 miles of a school is just one of the multimillion-dollar expenses that consultants have repeatedly flagged as inefficient.

"You can lay each one of the reports side by side and they look alike," board chairwoman April Griffin remarked at a recent meeting.

Payroll — including salaries for 16,000 teachers — ate up $1.06 billion last school year, a number that grew by $77 million, or 7.6 percent from the previous year.

Eakins attributed much of the hike to reforms the district undertook in partnership with the Bill & Melinda Gates Foundation. Although Bill Gates envisioned paying teachers for performance instead of seniority, the district agreed to pay for both.

Performance bonuses are now state law, and the unions are not likely to accept pay cuts. If anything, union executive Stephanie Baxter-Jenkins said, her team will try to raise starting teacher pay in Hillsborough, as it now lags behind neighboring counties.

One possible source of savings: At least 200 longtime teachers are expected to retire, and presumably their replacements will earn closer to entry-level salaries.

But officials have not yet calculated those savings. And, if more students arrive, more teachers could be needed.

Vazquez, who is Eakins' point person for the Gibson Consulting Group study and other cost-saving measures, acknowledged that long-term challenges remain.

For now, he said, district leaders are focused largely on making sure they have the best leaders and procedures in place to make future decisions.

Interviews are under way as Eakins reconsiders a dozen top administrators who oversee facilities, diversity, budget, and eight geographic areas.

While that process takes place, Gibson is wrapping up the first phase of its efficiency study. An interim report is expected in about a week, Vazquez said. It will tackle transportation, custodial services, secretarial services and teacher allocation.
That’s the first phase.

When asked when the district will consider the inefficiency of maintaining schools that are one-half to a third empty, Vazquez said, "I think in phase three we will look at the half-empty schools."

District leaders also continue to monitor the growth of privately managed charter schools, which eat up tax dollars and are one reason for the empty seats, especially in middle schools.

That needs to be a priority, Baxter-Jenkins said, estimating that more than $100 million this year will go to the charters. "And the district is approving them at an incredibly rapid rate," she said.

Rather than contemplating school closings or consolidations, Vazquez said the thinking is centered on improving and showcasing district-run schools to compete with charters.

"We have to be better at doing exit interviews and entrance interviews," he said. "People are now starting to shop around."

Principals and teachers must be fully committed to their work if the district hopes to stem the rush to charters, he added.

"When you have a large school district, it's very easy to lose focus on what is the core of why we’re in this."

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