

TANGIPAHOA PARISH SCHOOL SYSTEM

2012 FINANCIAL SUMMIT

A Financial Summit was hosted by the Tangipahoa Parish School System (TPSS) at the Central Office in Amite on April 30, 2012. Chief Financial Officer Bret Schnadelbach provided information to a variety of stakeholders - parents, teachers, administrators, School Board members, and others regarding the School System's current financial position, factors that contributed to this position, how TPSS compares to neighboring systems in revenue and teachers' salary, and how the School System can move forward. Mr. Schnadelbach concluded his presentation by suggesting ways to solve the financial crisis - increasing revenue, decreasing expenditures, or a combination of both. Following the presentation, attendees were asked to disperse into small groups to discuss the situation and Mr. Schnadelbach's suggestions. The topics that were discussed and each group's comments/suggestions are listed below.

SECTION 1: INCREASE REVENUE

1. DISCUSS THE MERITS OF A PARISHWIDE PROPERTY MILLAGE FOR SCHOOL OPERATIONS.

GROUP 1:

- It was the consensus of the group to levy a parish-wide property millage (10 mills) for school operation.
- The group indicated that any campaign taken by the School System should be more comprehensive than the previous tax proposal. Some of the items that need to be corrected are as follows:
 - Negative press about the School System
 - Mistrust of administration
 - Failing schools
 - Employee support of the proposal
 - More information to the public and parents to let them know what's in it for them

GROUP 2:

- The group talked about the need to generate more money for our schools.
- It was suggested that the School System look at what surrounding parishes are doing to solve their financial needs.
- The group felt that parents, teachers, School Board members, businesses, community members, etc. should work together to get a tax proposal passed.
- The consensus of group was to keep the total property mills below 20 mills.

GROUP 3:

- The consensus of the group was that the School System needed a minimum of 10 mills of property tax to continue providing the same level of service to our community.
- The group felt that the School System should consider a property tax as an option.

GROUP 4:

- The group felt that a property tax would provide money to meet the district's building needs.
- Members expressed concern that property owners feel that a property tax is not equitable for all taxpayers.

- The group expressed concern that any additional taxes should be equitably distributed based on need.
- The verbiage of any proposition placed on the voting ballot should be stated in simple, easy to understand wording.
- The proposition should provide a clear, more transparent understanding of what taxpayers are asked to pay and how the proceeds will be spent.
- The group suggested that any property millage should be below 10 mills.
- There was concern among members of the group regarding ways to get the public to understand the financial needs of the School System.

GROUP 5:

- The group expressed concern regarding how the proceeds from any new taxes would be spent and that any additional funds should be dedicated for a particular purpose.
- The group was adamant that all taxpayers should pay the same amount of property tax, i.e. no particular taxpayer should be asked to pay a greater share, and any new property taxes should not be added to existing taxes.
- It was suggested that all existing outstanding property taxes be consolidated.
- The group expressed concern that any tax proposal presented by the Board to the public should have full Board support and that the Board remain solid in their commitment.
- The group recommended a property millage of 22.5 mills, including the consolidation of existing property taxes.
- Any tax proposal should be scheduled to comply with other scheduled elections to reduce the cost to the taxpayers.
- The group expressed concern about why the Financial Summit information was not provided before the April 2011 election.

GROUP 6:

- The group was in agreement with the idea of an additional property tax dedicated for school operation.
- There was discussion that property reassessment may be beneficial to school revenue.
- The group felt that there should be more transparency on how the current funds are being spent.

GROUP 7:

- The group suggested that the district propose multiple small millage tax propositions with each having a dedicated purpose.
- It was also suggested that the School System devote more effort in marketing the tax proposals to the general public.
- The group recommended that the School System employ a full-time grant writer who can pursue additional funds for the District. At the same time the group suggested that there were some positions not needed in the Central Office (i.e. PIS Coordinator, Athletic Director, etc.)
- The group indicated that it was paramount to get more involvement from PTA & PTO groups.

1. DISCUSS THE MERITS OF ADDITIONAL SALES TAXES FOR SCHOOL OPERATIONS.

GROUP 1:

- The group suggested that the School System propose an additional ½ cent sales tax dedicated to operating schools. The thought was that since a sales tax affects everyone, more people would be willing to support a proposed increase.

GROUP 2:

- The consensus of the group was to propose a ½ cent increase in the current sales tax.
- The group felt that both an increase in sales tax and property tax was needed to fully fund school operations.

GROUP 3:

- The consensus of the group was not in favor of an additional sales tax at this time.

GROUP 4:

- The group recommended increasing the current sales tax by 1 cent; therefore, everyone would share in paying the additional tax.
- The group also thought that property owners would be more likely to support a sales tax increase because of the many farmers within the school district.
- There was a concern from the group about the current public perception of the School Board. The group felt that many people in our community were distrustful of the School Board and Administration.
- The wording of any proposition should clearly define how the tax proceeds would be spent.

GROUP 5:

- The group expressed concern for businesses in our parish if the sales tax rate was increased, since some cities (Amite and Independence) are already paying 9.5%.
- The group felt that some residents are traveling to other parishes or states for lower sales tax purchases.
- The group inquired about the current sales tax rates for neighboring cities and parishes.
- The group asked if there would be any consideration of lowering the existing sales tax percent if an additional property millage was passed.

GROUP 6:

- The group was in agreement with increasing the sales tax to the same level parish-wide. The group felt that the rural taxing district should be brought up to the city sales tax level.
- The group requested that the School System Administration obtain statewide data on the success rate of school districts passing sales tax increases.
- The consensus of the group was that there was a preference on sales tax rather than property tax because everyone would pay sales tax.

GROUP 7:

- The group was in favor of increasing the existing sales tax rate ½ cent to support school operations.

2. DISCUSS THE USE OF ONE-TIME FUNDS SUCH AS TIMBER PROCEEDS AND MEDICAID REIMBURSEMENT.

GROUP 1:

- There was little discussion among the group on this topic.

GROUP 2:

- The group felt that a more permanent solution was needed.

GROUP 3:

- The group was in favor of using one-time funds such as timber proceeds and Medicaid reimbursements to fill the financial gap.

GROUP 4:

- The group felt that utilizing these one-time funds would not solve the problem and suggested that these funds be saved for a rainy day or natural disaster.
- The group compared this action to “putting a band aid on a major cut.”

GROUP 5:

- The group was in favor of utilizing these funds to solve the current financial crisis.

GROUP 6:

- The group was in favor of using these funds, but expressed concern about spending all saved funds and not leaving any for a future need or emergency.

GROUP 7:

- The group was not in favor of spending the timber proceeds and Medicaid reimbursement funds to solve the current financial crisis.

SECTION 2: REDUCTION IN EXPENDITURES

1. DISCUSS INCREASING CLASS SIZES TO REDUCE THE NUMBER OF TEACHERS (STUDENT/TEACHER RATIO).

GROUP 1:

- The group was in agreement with increasing the student/teacher ratio from 16:1 to 17:1 for non-tested subjects and in upper grades only.

GROUP 2:

- The group was not in agreement with increasing the student/teacher ratio because such action would probably increase student discipline problems and decrease student achievement.

GROUP 3:

- The group was against increasing class size; however, they suggested that there should be an increase in the number of special education students per class.
- In addition, the group felt that there should be a decrease in the number of itinerant staff.

GROUP 4:

- The group felt that increasing the student/teacher ratio was not an option to resolve the financial situation. They cited student safety and discipline issues as the reason.
- In addition, the group felt that increasing the student/teacher ratio would have a negative impact on student test scores.
- The group inquired about the actual number of employees working directly in the classrooms.
- The group felt that the School Board needed to work on changing their public perception.

GROUP 5:

- The group was against increasing the student/teacher ratio.
- Members of the group felt that reducing the number of teachers would reduce the number of diploma tracks offered to students.
- Another concern was the limited space to fit additional student desks in some classrooms.
- Group members suggested that some subjects, i.e., history, could tolerate larger classes.

GROUP 6:

- The members of this group were totally against increasing the student/teacher ratio.

GROUP 7:

- The members of this group thought that increasing the student/teacher ratio for some high school classes would be acceptable.

2. DISCUSS REDUCING STARTING SALARIES FOR ALL NEW EMPLOYEES.

GROUP 1:

- The group was agreeable to reducing starting salaries by \$2,000 - \$3,000.
- The group felt that there would be no need for a job fair and expressed concern over the type of employees we could attract with lower salaries.

GROUP 2:

- The group was agreeable with reducing starting salaries considering the condition of the current job market; however, they felt that the reduction should be temporary.
- The group felt that this action would be a “good faith effort” toward reducing expenses.

GROUP 3:

- The group was in favor of decreasing the starting salaries for certified/professional staff but keep the support personnel at the same pay.
- The group suggested that the Board consider offering incentive packages to drop-eligible employees to entice them to retire.

GROUP 4:

- The consensus of the group was not to lower starting salaries because of concern that lower salaries would not entice top quality teachers to accept job offerings.
- The group felt that the best teachers would go to other parishes to work.
- The group expressed concern that since salaries have been frozen for the second consecutive year, the pay differential between new teachers and experienced teachers is very small.
- The group expressed concern that some employees may be reluctant to support a new tax when step raises have been frozen.

GROUP 5:

- Some members of the group suggested that the administration consider reducing some 10-month positions to 9-month positions.

GROUP 6:

- The consensus of the group was to reduce the starting pay for all new employees; however, there was some concern about our district's ability to attract quality teachers.
- There were some concerns about the younger teachers' salaries exceeding more experienced teachers.

GROUP 7:

- The group was in agreement in reducing the starting pay for all new employees.

3. DISCUSS SEEKING EFFICIENCIES IN ALTERNATIVE PROGRAMS BY OFFERING ONLINE VIRTUAL PROGRAMS.

GROUP 1:

- The group felt that a virtual program was not as effective as face-to-face interaction since there is less support when instruction is via computer.

GROUP 2:

- The group felt that the community crime rate would increase because students would be in undisciplined environments.
- There was concern that students would not complete the work in a timely manner.
- The group asked if virtual programs were cost effective as compared to instruction led by teachers.
- The group felt that the virtual program placed more responsibility on the student and their parents.
- The consensus of the group was that the Board should consider offering a virtual school program to compete with other online virtual schools offered by the state.

GROUP 3:

- The group felt that the School board should explore the concept of virtual learning.

GROUP 4:

- The group felt that virtual learning programs would help with student accountability and reduce the drop-out rate.
- There was discussion about the virtual program cost compared to instructor-led teaching. The group consensus was that virtual learning should be more cost effective.
- Questions were asked about whether the district or the parent would be responsible for providing students with the required tools to participate in the virtual learning process.
- The group thought that course opportunities should increase for children from rural or smaller schools.

GROUP 5:

- The consensus of the group was that virtual programs would not be a good fit for students enrolled in alternative settings such as TAP & PM schools.
- There were concerns about which grades would be eligible for virtual learning and what incentives or methods could be used to change student behavior under the virtual learning program.

GROUP 6:

- The group was open to the idea of offering virtual learning programs to students in alternative settings.

GROUP 7:

- The group was in favor of offering the E20/20 virtual school program to students with some modifications such as teachers monitoring student performance.

4. DISCUSS OTHER MISCELLANEOUS EXPENSE REDUCTIONS.

GROUP 1:

- The group was in favor of considering a 4-day school week. Students needing additional instruction and/or parents who need day care for their child/children could be asked to pay a small sum (\$15 per day) so that the child could attend school the fifth day.

GROUP 2:

- The group suggested that administration look into reducing their energy costs and become more energy efficient.
- The group discussed the merits of a 4-day work week.
- The group talked about a full year or year-round schooling.
- The group felt that reducing the number of work days would result in fewer teacher absences and a savings in substitute teaching costs.

GROUP 3:

- There was discussion on the potential savings by switching to a 4-day work week.
- The group suggested reducing and/or eliminating some textbooks in favor of eBooks.
- The group recommended continuing to freeze step raises until additional revenue can be obtained.
- The group felt that the Board needed to call for a special tax election asking for additional funds to operate schools.

GROUP 4:

- The group was opposed to reducing the number of sports offered to students and parents.
- The group was open to considering reducing the School Board's support for extra-curricular travel, student activity insurance, and coaching stipends; however, the group expressed concern over the safety of allowing teams/students to travel on their own.

GROUP 5:

- The group was opposed to reducing student allocations, sports programs, student activity insurance supplements, and the elimination of the "grandfathered" roads for school transportation.
- The group favored reducing principals' Summer Retreat to one day instead of the traditional two days.
- The group expressed concern over developing a split bell time for schools located in rural areas. The thought was that the large attendance zones prohibit buses from making two runs in a timely manner.

GROUP 6:

- The group felt that school PTA/PTO organizations should be involved in helping solve these issues. School administrators may want to activate parent volunteers for assistance.
- The group expressed concern that public perception is that the Central Office is overstaffed.

GROUP 7:

- The group discussed outsourcing school food services, utilizing eBooks, and developing energy saving alternatives such as installation of solar panels.
- The group discussed the group health insurance program, but felt that any potential savings would be minimal.

SECTION 3: OTHER ACTION

1. OTHER ITEMS TO CONSIDER

GROUP 1:

- The group suggested that the Board consider an incentive program to encourage teachers who have completed DROP or who are in the last year of DROP to retire.
- The group recommended the development of a voucher program for student transportation. Parents of students on under-utilized buses (less than 20 riders) would be offered reimbursement in lieu of providing bus service.

GROUP 2:

- The group recommended that the Board invest in programs such as the Hammond High Pro-Start Program that will attract students to our schools.
- The School System should be treated like a business and should market itself.
- The group recommended that the Board consider hiring a grant writer who would work on obtaining federal and state grants for education programs.

GROUP 3:

- The group suggested that the Board reduce utility costs.
- It was recommended that the Board consider lowering the minimum General Fund balance from 7% of total expenditures to 5%.

GROUP 4:

- It was suggested that the Board provide more discretionary funds to principals for providing stipends to sponsors of various school organizations
- The group suggested that the Board invest funds in public relations activities with the goal of obtaining public input and support.

GROUP 5:

- The group recommended that the Board consider changing to a 4-day work week in an effort to reduce expenditures.

GROUP 6:

- None

GROUP 7:

- None