

School Layoffs Likely in 2011-2012

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Although he believes the district will be able to "squeak by" during the upcoming school year without too much harm, Superintendent Dave Gayler said disappearing funding and rising expenses will force the School Board to lay off employees during the 2011-2012 school year.

The somber news was announced Wednesday during a budget workshop.

Gayler said the tentative, and slimmer, 2010-2011 budget represents declining enrollment and a tighter cap on spending district-wide.

The general fund will begin with a balance of \$11 million. Throughout the year, the district is expected to take in approximately \$123 million in revenue, making for a total available fund balance of \$134 million.

As it stands now, the district has appropriated \$125.3 million in the operating fund -- representing about \$100.2 million in personnel costs and \$25.1 million in other day-to-day expenses.

Overall, he said it'll be as good a budget as possible.

"It's not going to require layoffs," Gayler said. "It's not going to require serious reductions. It is going to require us to budget extraordinarily tightly. We will squeak by this year with a budget that provides us with what kids need at the greatest degree we can provide. I think that will be as good as we can do."

This all will change the following year when funding sources disappear.

For the 2011-2012 school year, Gayler said the district is slated to lose \$5.4 million in stabilization funding, \$2.2 million in targeted stimulus money and approximately \$1.75 million from declining student enrollment. The district lost 450 students last year, about 300 this year, and is preparing to lose another 250 next year, Gayler said.

Other funding drops are attributed to the prior-year enrollment shortfall -- amounting to about \$400,000 -- as well as about \$1 million less in tax collections and \$4 million from the expiration of the optional quarter mill, which generated \$25 for every \$100,000 of taxable value of homes. However, if the district wanted to extend it into the 2011-2012 school year, the issue would have to be put on the ballot in the next general election, which is in November.

Expenses for 2011-2012 also are expected to rise, Gayler said.

For starters, the Florida Legislature increased the Florida Retirement System contribution rate to 1.74 percent -- a cost of about \$1.5 million to the district.

Also, the district will be out \$700,000, as another 100 students have been added at the district's only charter school, Edison Collegiate High School. A charter school is a public school run by private individuals or groups who have contracted with a school district. Like the other schools in the district, ECHS receives operating funds based on its number of full-time students -- with those funds coming out of the district's allotment.

Plus, Gayler said health insurance costs are expected to increase another \$1 million.

In the coming months, the district will be bracing for additional funding cuts from the state during special and regular legislative sessions. Staff also will monitor the progress of a \$23 billion education bailout bill in Congress, worth \$1.2 million for Charlotte County.

"We have hope that things will improve, and God knows I hope they do, but the bottom line is you are going to have to lay people off," Gayler said. "We are going to have to have layoffs. There is simply not enough in our legislative funds and federal bailout funds to do it any other way."

In the coming months, Gayler will devise a plan by fall so the board can prepare itself and employees for layoffs.

Employees likely to get laid off will be told in November or December, with an effective date of July 1, 2011, he said. Due to the class-size amendment, teaching staff aren't likely to be a main source of cuts.

"It is absolutely not possible to honor employees you lay off," Gayler said. "You cannot do that. You give someone a pink slip and look them in the eye; it's the worst feeling in the world. You know that their lives are going to be devastated. It is a very difficult thing to do.

"But at least," he continued, "I can give them a running start."

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