

## **Meeting Our Challenges through Redesign: A Look Back, a Look Ahead**

By Neil Hufnagel, Superintendent

A common theme I have tried to sound throughout the last many months as we have undertaken the work of managing the budget challenges we face is that we must resist the temptation to think only in terms of what to cut, but to think instead of how to redesign the work of the district. It is clear that we must plan to operate into the future on a budget that is 8-12% less than what we had just one year ago. We know we must do this while preserving the high quality educational experience we provide our students.

Given that 86% of our expenses are personnel costs, we know that we have basically two choices: we can employ fewer people in a redesigned educational program, or we can employ the same number of people with a redesigned compensation package. In simpler terms, we can redesign our program keeping fewer staff with similar pay and benefits, or we can keep the same program and number of staff with less pay and benefits.

I see the first of these two options as an opportunity to create a winning situation for students, employees, and community alike. I believe that it may be possible to shrink our staff primarily through the natural attrition of retirement or job change, preserve a similar level of compensation for those remaining employees, and redesign our educational program in ways that are just as good as or better than our current practices. This will require a high level of cooperation, collaboration, problem solving, and shared risk taking. It won't be an easy task, but if previous experiences are a lesson, we have reason to be optimistic.

While the current budget challenges are unprecedented, making adjustments to our program in challenging budget times is nothing new. The board, administration, and staff have worked together to redesign several areas over the last 5 years to create budget savings and protect classroom instruction. Examples are as follows:

In 2006-2007 we entered into a collaborative relationship with the Pewamo-Westphalia Schools to share a food service director creating a savings of \$10,000.

In 2007-2008 we reduced our district counseling program from 1.5 counselors to a single K-12 counselor saving \$24,000. In that same year we combined the superintendent and high school principal position saving \$70,000.

In 2008-2009 we combined the transportation and maintenance supervisor position, and contracted our bus maintenance to St. Johns Public Schools creating a total savings of \$35,000. We also consolidated some of the aide time at Waldron following a retirement for a savings of \$9,000.

In 2009-2010 we participated in a retire/rehire opportunity with two teachers avoiding layoffs and creating savings of approximately \$50,000. We transitioned from 5 bus runs to 4 creating an ongoing annual savings of \$15,000. We also implemented an athletic transportation system that relies on parents to manage some of the transporting of their students saving \$5,000.

The second option listed above, while in some ways simpler, has its own challenges and pitfalls as any changes to compensation are subject to bargaining. While some potential redesign plans may include issues that are subject to bargaining, none will likely prove as challenging as negotiating a significantly redesigned compensation and benefit package. While preserving the current educational program may be seen as a “win” for our students, the consequence in terms of compensation for our employees is potentially a “lose”. While I understand that our primary mission is that of educating students and not that of an employment agency, this “win/lose” scenario is one that I would prefer to avoid.

Certainly people are entitled to argue that educators as a group are overcompensated in terms of salary and/or benefits in comparison to other professions. I regularly hear the same suggested of state employees, farm owners, auto workers, politicians, etc. depending on who you talk to. The view from the outside is often different from the inside in each of these cases. I believe it is worth noting however that relative to other educators, it would be difficult to argue that our staff is significantly overcompensated. Our pay schedule for teachers is the lowest in the mid Michigan area with the only exception being Webberville. While some others may share more of their insurance costs than is currently required of our staff, recent contracts have seen staff assume more of the costs associated with those benefits through a premium contribution and increased deductibles. These adjustments along with modest salary increases have allowed us to build the current fund equity that we plan to use to soften the blow of this funding crisis.

My experience has been that we have a committed and capable staff that is willing to collaborate in assuring a quality program for our students. This has been evident in the day to day operations of the district and at the bargaining table as well. It is possible that our solution may include some elements of both options listed earlier. I would challenge all school stakeholders, including myself, to seek the common ground and perspective that allows us to work together in a respectful, appreciative way as we seek to assure the best education possible for our students. Our successful efforts in the past encourage optimism for our future.