

15. Birmingham schools could lose 200 jobs due to funding cuts [BN, Leech, 2/17/10]

The chief financial officer for **Birmingham city schools** warned the finance committee Tuesday that the system will lose funding for nearly **200** teachers, principals, assistant principals and counselors next year. **Arthur Watts** told committee members, composed of some board members, business owners and system administrators, that the school district already has lost \$26.3 million in state funding during the past two years because of proration (across-the-board budget cuts), and likely will lose a further \$14 million to \$15 million in fiscal 2011. "There is not any growth in the **Education Trust Fund**," Watts said. "Revenues are down, and no school system is going to survive with these cuts." Systems all over the state are having to make adjustments, and Birmingham is no exception, he said. "We are going to try to lose as many of these positions as we can through attrition," Watts told the committee regarding the 200 jobs, but layoffs are likely unavoidable for Birmingham as well as most other systems in the state. Layoffs or other measures would have to be approved by the full Board of Education. Cost-cutting discussions will continue in the finance committee, although its next meeting has not been scheduled yet. Many state school systems have been scrambling to make monthly payroll, and have had to dip into reserves or borrow money to meet monthly payroll obligations. The Huntsville and Montgomery school systems have discussed cuts and possible layoffs recently. Birmingham might be in a worse situation than most because it continues to lose students each year. Enrollment has decreased by nearly 1,300 from last school year to this year. The state funds school systems based on the previous year's enrollment, so fewer students means fewer state dollars, Watts said. The losses of student enrollment and funding due to proration are compounded by the system's failure to maintain a reserve fund equal to one month's operating expenses as required by the state. Birmingham has less than \$3 million in a reserve account, but needs about \$16 million. Watts recommended to the board earlier this school year laying off a "significant amount" of support staff, including custodians, cafeteria workers and secretaries. However, the board has yet to act on those recommendations, and likely will be one of the first issues incoming Superintendent Craig Witherspoon must tackle when he joins the school system March 22. The district will have a fight on its hands if it tries to lay off employees, said Lance Hyche, union representative for the Birmingham Education Association. "AEA works every day to draft the best possible Education Trust Fund budget -- the best budget for the classroom, and the best budget for employees," Hyche said. "We will not sit back and allow 200 of our members to be laid off. We say lay off the overpriced law firms and keep the teachers, custodians, secretaries and bus drivers."

Gov. Bob Riley declared proration of 7.5 percent for fiscal 2010, which equates to a reduction in state funding of \$10.3 million for Birmingham. In fiscal 2009, proration of 11 percent cost the system \$16 million.

According to funding projections drafted by the Public Affairs Research Council of Alabama and presented to the finance committee Tuesday, another reduction in 2011 of 5.6 percent is expected because of proration, with an additional 4.7 percent reduction in state funding next year because of a loss in student enrollment.

Board member Brian Giattina, who leads the schools finance committee and is a chief financial officer for an architectural firm, has been working for months to draft a new budget model that is easier to understand and provides a sense of where the school system is and where it is headed, he said.

After analyzing the numbers, Giattina said the board is in a position to find other cost-cutting measures and protect classrooms.

"For instance, can we cut the utility budget by 5 percent and put that savings toward teachers?" he asked. "Can we find savings in transportation and use that toward the classroom?"