



North East Independent School District

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NEISD probationary teachers' jobs saved, administration takes deeper cuts

April 12, 2011 – There will be no letters of termination for probationary teachers in North East ISD under a plan presented to the Board of Trustees on Monday, Apr. 11, 2011 that spares teachers, but eliminates campus and central office administrative positions.

“The state of Texas is facing a budget shortfall of nearly \$25 billion,” said Richard A. Middleton NEISD superintendent of schools. “Because of this, we anticipated cuts to NEISD funding ranging from \$40 to \$60 million for each of the next two years. This forced us to look at some very difficult budgetary decisions. Ultimately, we knew that we could not lose our newest teachers. They are too valuable an asset in the classroom.”

The NEISD Board of Trustees had intended to take action on an agenda item that would have dispatched letters of termination to 89 probationary teachers – teachers who were hired after the first day of school in August 2010. An earlier plan included the termination of over 400 one-year teachers, or teachers who were hired for a start date of July 2010.

Instead, Middleton and his staff presented a two-year plan to cover the Texas Legislature’s biennium period – that pulls \$30 million from the district’s fund balance and eliminates approximately 28 administrative positions at campuses and 41 positions at the central office, and furloughs employees that work over 190 days, with the exception of auxiliary employees for 2 days in non-teaching positions.

This plan - combined with the \$36 million savings realized over the district’s three year-old austerity program and cost containment practices since 2008-2009 – will spare probationary teachers at the expense of non-teaching positions.

“North East is in better shape than other school districts because we saw the state’s financial crisis coming as early as 2006, and we took steps to help ensure our financial stability,” Middleton said.

That was the year that the state’s corporate franchise tax was written to pay for a one-third reduction in property tax rates for school operations. However, the tax has performed below expectations and has cost the state billions of dollars annually.

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Middleton predicted that the revamped business tax would not generate the needed revenue to fund state services and initiated a three-year austerity program to cut expenditures and build the district's fund balance.

- In January 2009, phase one of the program required all budget managers to immediately and significantly reduce spending, especially in areas such as: travel; overtime, temporary labor and substitutes; furniture and capital outlay; more stringent HVAC controls; and delayed filling of non-teaching vacancies. **Phase one resulted in \$2.1 million in savings in just six months.**
- On June 15, 2009, phase two began with the Board passing a balanced budget with more significant reductions and structural changes. **Phase two resulted in \$11.5 million in savings.** Items in this budget included:
 - Tighten staffing ratios -- \$2.7 million savings
 - Custodial program restructuring --\$0.3 million savings
 - Suspend optional retirement match -- \$3.3 million savings
 - Reduce Retention Supplement -- \$0.7 million savings
 - Across-the-board cuts -- \$4.5 million savings
- On October 19, 2009, the Board declared Financial Exigency and need for programmatic change. Exigency is not declaring bankruptcy, but rather a legal tool required to perform restructuring in Texas school districts. This allowed the district to eliminate the high school A/B schedule and move to a 7-period day which required less staff. **The cumulative effect after three years of austerity efforts was more than \$36 million in savings.**

On top of the \$36 million savings realized via the austerity program, the district will do the following to reduce costs over the next two years:

- Eliminating 41 central office positions – Frozen/Eliminated (\$2,570,000 in savings)
- Eliminating 8 assistant principal positions (\$560,000 in savings)
- Eliminating 10 counselor positions (\$700,000 in savings)
- Enacting 2 days of furlough for non-teaching employees (\$577,000 in savings)
- Eliminating a pay raise (\$9,280,000 in savings)
- Eliminating retention incentive (\$6,140,000 in savings)
- Eliminating 233 teaching positions through attrition (\$14,000,000 in savings)
- Not adding teachers for growth (\$4,060,000 in savings)
- Eliminating extra contract days for certain staff (\$250,000 in savings)
- Reducing utility usage (\$450,000 in savings)
- Reducing department spending (\$350,000 in savings)

View this online at <http://www.neisd.net/ComRel/MediaCenter.html>.

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About NEISD:

North East ISD has more than 70 schools and magnet programs with a fall 2010 enrollment of more than 66,000 students. NEISD employs more than 8,000 people. It is the second largest public school district in the San Antonio area and the eighth largest in the state. Under the Texas accountability system, 87 percent of NEISD schools are rated Exemplary or Recognized. The district earned Recognized for the third year in a row.

More information about NEISD can be found at www.neisd.net.