

## ***Enhancing Educational Opportunities While Reducing Administrative Costs***

Make no mistake about it: some of the choices we need to make are going to be unpopular. We must keep the end goal in sight: Building a better, sustainable educational system to serve this and future generations of Mississippians.

That starts by reducing administrative costs in our educational system and building on student success. This is no easy task. The fact of the matter is that, even with the cuts required for K-12, community colleges and universities in Fiscal Year 2010, all three educational levels will have more money to spend this year on education than in FY 2009. The biggest reason for this is federal stimulus funding, which earmarked nearly \$200 million for both FY 2010 and FY 2011 education spending. It's important to remember this federal stimulus money goes away at the end of FY 2011. Knowing the current level of education funding is unsustainable when that occurs, we must prepare now to try to have a soft landing for our schools when spending returns to levels sustainable by normal state, local, and federal efforts.

While most of state government will see a cut of 12 percent below FY 2010 appropriated levels, I am recommending a 10.9 percent cut, or a reduction of \$237 million, for the Mississippi Adequate Education Program. Total K-12 education would see a cut of 9.4 percent. While these spending reductions are not optimal, they will provide an impetus for true reform in our state's educational structure. After all, we know that reducing the number of school districts means we can spread more resources to the remaining school districts, thereby enhancing educational achievement. Additionally, just as the state taps into our reserve funds during periods of significant economic decline, I believe it is incumbent upon school districts to use their reserve balances to offset these cuts in state support for public education. There are many ways education can absorb these cuts without negative impact on the quality of instruction our students receive, and I hope the Legislature and education leaders will use this as an opportunity to implement innovative, meaningful reform.

In a recent interview regarding the budget, House Education Chairman Cecil Brown told *The Clarion Ledger* if "we really want to run government like a business, we have to plan the way businesses do." This is truer than ever before. Successful businesses are the ones who efficiently manage administrative costs while focusing on providing quality, affordable services and products to their customers. We should strive to replicate this business model in all of state government, including education.

It's high time to recognize that Mississippi's having 152 school districts across 82 counties is a model of inefficiency. Consolidating school districts will reduce administration costs in the short term, will ultimately match effective teachers with "right-sized" classes, and will push more money into the classroom, improving educational achievement by our K-12 students.

Young people leaving our schools must be provided the skills necessary to succeed at the college/university level or in the workforce. Deliberative thought must be

given to establishing criteria for consolidation: student performance, district size, financial stability, assessed valuation, the millage rate assessed for district support, potential administrative savings, and other factors impacting student opportunities. The plan for reducing the number of districts by a third should be adopted by the State Department of Education based on advice and counsel from a blue ribbon commission I will appoint in December. The commission will be authorized to contract for professional help to set the criteria for consolidating districts. These tough decisions must be made in FY 2011, so the full impact of consolidation – an estimated \$65 million savings – will come to fruition in FY 2012 when we see overall budget shortfalls grow as federal education money disappears. We cannot afford to delay this decision any longer.

Consolidation of school districts is just one piece of our approach to reducing costs while providing a strong education to our schoolchildren. We can save up to \$18 million by suspending for one year the “STEP” salary increase teachers automatically receive based on years of service. With thousands of Mississippians losing their jobs, it is fair that we ask our teachers to temporarily forgo these automatic pay increases. Also by holding STEP pay for a year, we can continue to fund the National Board Certification program to prevent those teachers from taking an additional pay cut.

School district consolidation and temporary suspension of the STEP increase are bold proposals, but cost-savings achieved through these initiatives alone will not be enough for public education to meet targeted savings. Since education accounts for more than 60 percent of the state budget, education at all levels must produce a large portion of the savings. Again, I am convinced this can be done without hurting the quality of the education our students receive.

Additionally, the Mississippi School of the Arts should be merged into the existing Mississippi School for Math and Science and moved to the new campus to enhance quality education while achieving at least \$1 million in cost savings. The Mississippi School for the Blind and Deaf can find cost efficiencies in its programs and services while enhancing educational opportunities. A feasibility study should be conducted to determine the best method to educate Mississippi’s blind and deaf children. This review should include the possibility of moving the campus to the Mississippi School of the Arts in Brookhaven or Oakley Training School, which would allow the state to utilize those properties better. The state could then sell or lease for a long term the prime real estate where the School for the Blind and Deaf currently sits, bringing much needed development to Jackson as well as revenue for our schools.

To achieve the amount of savings needed in FY 2011, we should remember that all school districts have the ability to spend down their fund balances (roughly half of which is state-source funds) and find other cost reductions within their individual districts as they have done in previous cuts. It is necessary for local school districts to rely on their fund balances, just as the state has done with its rainy day fund.

I am recommending a 12 percent reduction in funding of MDE’s vocational and technical dollars, which are used in conjunction with funds from the federal Perkins

Career and Technical Education program to support workforce training in Mississippi at the high school and community college level. Because states are required to meet a certain spending level in order to qualify for Perkins funds, I will work with MDE to develop a federal waiver request on behalf of Mississippi so that we can continue to draw down these important funds while allowing for state budgeting flexibility. In order to achieve the 12 percent reduction, or about \$10 million in savings, MDE should reduce expenditures for areas like administration, equipment purchases, and contractual services with vendors – not teacher salaries or workforce training initiatives. After all, a large portion of these dollars are used to fund part of teacher pay as well as to support workforce training at the community college level, and I believe it is critically important that we maintain adequate funding for these areas.

Additionally, to reduce administrative costs further and eliminate duplication of programs, we should better align our resources for career and technical programs at MDE with the ongoing workforce training initiatives at our community and junior colleges. Already, nearly \$30 million a year flows through MDE’s vocational and technical budget for use by the community and junior colleges. In the future, we should move toward stronger partnerships between our public schools and community and junior colleges not only to eliminate duplicative training, but to improve skills training and provide students with career pathways starting in high school. Community and junior colleges are already the leading workforce training providers in Mississippi. We should adopt an integrated funding approach that supports dual enrollment and dual credit opportunities to allow high school students to learn a trade while earning credits toward both a high school diploma and community college credential or associate degree.

No area of education can be immune to spending reductions. I am asking most state agencies to achieve a targeted savings of nearly 12 percent, and I expect the same from our educational communities. Despite record enrollment at our community and junior colleges, it is imperative that these institutions find ways to save.

There is no reason for each of the 15 community and junior colleges to have its own “back room” operation, such as payroll, insurance and purchasing. A single such administrative operation should be set up, preferably combined with the same functions for all the IHL universities. “Shared services” saves money.

Elimination of campuses, particularly satellite campuses, must be considered, and reducing the number of institutions from 15 to a lesser number can’t be ruled out. To help achieve better financial performance, the SBCJC should become a Governing Board, as is the case with boards for K-12 and the Institutions of Higher Learning. As a state, we must review eliminating or downsizing intercollegiate athletics at our community and junior colleges. Community and junior colleges, which reportedly spent almost \$20 million on all athletic programs in 2007, should prioritize what is necessary to achieve their educational goals.

Our community colleges are critical assets in Mississippi’s educational programs. They are indispensable in academics for our high school graduates because of lower cost

and close proximity. But more high school graduates should start in community college to catch up when remedial courses are required.

Two-year associate degrees can prepare tens of thousands of young Mississippians for great careers, but a higher percentage of academic-bound students than now need to complete their degrees. Similarly, career program students need to earn certificates to succeed in the workforce. Non-credit workforce development and job training must continue to grow on every campus, and output must grow at every institution. Workforce training will help pull Mississippi out of this economic downturn; therefore, my budget does not reduce funding for workforce initiatives at our community and junior colleges.

At a time when the focus must be on efficiencies and excellence, we must recognize the unsustainability of dividing our limited IHL funding among eight public universities. This budget proposes merging Mississippi Valley State and Alcorn State with Jackson State. No campus would close, but administration would be unified and significant savings achieved. Our historically black universities would be united into a premier university with the land grant agriculture and technical advantages of Alcorn, MVSU's Delta campus, and JSU as an emerging great urban university.

Similarly, Mississippi University for Women would be merged with Mississippi State. Its campus, like those of Alcorn and Valley, would continue to function. There would be a rationalization of class offerings at the various campuses, including the three not affected by the mergers (Delta State, Ole Miss and USM). Every university would be expected to reduce costs by consolidating or eliminating programs not pulling their financial weight. Merging the MUW with MSU is preferable to closing the school and moving select programs to Starkville.

The mergers would not achieve significant savings in FY 2011 as they take time to plan and implement. In FY 2012, however, the mergers should save about 35 percent by themselves. These savings can't be achieved in FY 2012 if the decisions are not enacted in the FY 2011 budget.

Currently, the agriculture units at Mississippi State and Alcorn State are funded in appropriations separate from the universities' main funding. I recommend separate appropriations for the agriculture units cease, and the funding become part of the two universities' appropriations. This administration consolidation will give the leadership of the two universities greater flexibility in spending authority and should result in better setting of priorities. My budget reduces the FY 2011 agriculture unit appropriation by 15 percent, which the universities can make out of ag unit expenditures or other efficiencies in the greater university budget.

The Mississippi State College of Veterinary Medicine will need to save 15 percent of its budget in the coming year. The college received funds from the federal stimulus package in FY 2010. Stimulus guidelines dictate the state maintain a certain level of funding for the college in FY 2011. However, the college should expect deeper

cuts in FY 2012 and consider raising tuition to be comparable to veterinary programs in surrounding states.

Closely related to our educational institutions is the state's library system and educational television. Libraries are primarily a function of local governments and should be funded accordingly. My budget recommends a reduction of \$3.6 million in state subsidies for local libraries for the Mississippi Library Commission. When tax dollars are stretched, agencies with access to private foundations should be encouraged to utilize that funding as reflected by my proposal for the Educational Television Authority to trim its budget by 12 percent. Simultaneously, state departments and agencies are encouraged to use Mississippi Public Broadcasting's facilities and resources whenever practical. Often that would save costs for the other agency and increase revenue for ETV.