

**1. Why is Farmington Public Schools experiencing financial difficulty at this time and why are you considering subcontracting?**

Responsible stewardship means that we must consider any option that keeps dollars in the classroom to support student achievement.

School districts across the state of Michigan are experiencing financial difficulty over the last few years and with the Governor's budget, this will only increase. Frozen or shrinking revenues from the state, soaring energy, health insurance, and retirement costs, coupled with unfunded state and federal mandates for schools have led school districts to a point of financial crisis.

Subcontracting transportation, custodial, grounds, maintenance, and nutrition services departments, has been shown to substantially reduce the cost of these services which allows the school district to reallocate funds for teaching and learning; thus enabling the district to remain financially viable for the longer term and refocus resources on the core mission of education.

**2. Is the school system going bankrupt?**

No. School districts from around the state have experienced financial difficulty over the last several years due to the impact of Proposal A and some have fallen into deficit budgets (expenditures exceed revenues without a fund balance to fall upon). State budget problems, declining revenues, soaring insurance, retirement and energy costs, coupled with unfunded state and federal mandates for schools have led to a point of extreme financial difficulty.

Farmington Public Schools has consistently operated by maintaining a stable budget under a board policy that establishes a 8 -12% fund balance. As we look forward, we are concerned about the potential of not having sufficient funds to fulfill our commitment to the classroom, and teaching and learning.

This year's budget reductions drove home the critical nature of the need to fund our core mission. The challenges of unpredictability at the state level and rising uncertainty related to revenues and costs force us to take these steps.

**3. What process will we require of vendors regarding the screening of their employees? Would employees of an outside provider be subject to criminal background checks?**

The law and the District require any company that submits a bid to conduct the same criminal background checks that we do as a school district and this is specified in the Request for Proposals.

The safety of our students and staff is paramount. We are committed to creating secure, positive learning environments for every child in Farmington Public Schools.

#### 4. Will employees be laid off as a result of this change?

If the Board decides to subcontract, the affected employees will be laid off consistent with the procedures in the collective bargaining agreements. At the same time, the unions are taking part in the bidding process, along with the other companies that have chosen to respond to the RFP.

If subcontracting occurs, and the vendor needs employees, certainly, the application process would be open to the public and any individuals in the community would be able to apply.

#### 5. How will you cover the work that these employees do?

Through the Request for Proposal (RFP) process, the District will seek proposals regarding the services provided by our transportation, custodial, grounds, maintenance, and nutrition services departments. If the Board decides to subcontract any of the support services covered by the RFPs, a change process will be established including the dates services are turned over to the external firm.

It is likely that such a change would align with the District's fiscal year which runs July 1 through June 30. The goal will be to ensure a seamless change and provide uninterrupted service to the schools and the students we serve. We will work hard to ensure that the services are of a similar or better quality to what we have experienced over the years.

#### 6. Is this the first step towards dismantling all of the unions and subcontracting their services within the school district?

No. We have a long and positive history of shared problem solving with our unions here at Farmington Public Schools. Our ongoing hope is that a collaborative agreement can be reached during this process.

This is not a union issue; it is a funding issue. Realistically, we will need everyone's help in the coming year to resolve the funding crisis. Unfortunately, this is a problem that is not going away.

At this point, we are forced to explore the options available to positively impact students. We remain committed to working with our unions to address the ongoing budget issues that seem destined to plague us for the foreseeable future.

We recognize that change is difficult. If the decision to subcontract is made, we will work to make the change as smooth as possible for all involved.

As the board and leadership team gathers information, the human resources department remains available to answer any staff questions that may arise.

- Questions regarding issues related to the labor agreements may be directed to Barbara Fries, Director of Human Resources, at 248.489.3357.
- School administrators or teachers may call David Ruhland, Assistant Superintendent of Human Resources and Legal Services, at 248.489.3356.
- Regarding benefit questions, please call Mary Anthouard, Benefits Manager, at 248.489.3354.

**7. How would subcontracting impact funding for Farmington Public Schools?**

Based upon the experience of other districts, subcontracting support services may provide a savings of roughly \$4 million per year. These savings can be invested in our core mission of educating students. Responsible stewardship means that we must consider any option that keeps dollars in the classroom to support student achievement.

Subcontracting transportation, custodial, grounds, maintenance, and nutrition services departments, has been shown to substantially reduce the cost of these services which allows the school district to reallocate funds for teaching and learning; thus enabling the district to remain financially viable for the longer term and refocus resources on the core mission of education.

**8. How many employees could be impacted by the decision? How much money do you think you will save?**

At this stage we cannot say which employees might be impacted. In addition, the external firms often are interested in hiring our employees. So it is difficult to predict how our employees will be impacted.

The cost savings could be significant. Based upon the experience of other districts, subcontracting support services may provide a savings of roughly \$4 million per year. These savings can be invested in our core mission of educating students.

**9. Did the state force this change?**

No. Like all school districts in Michigan, our school system has experienced financial difficulty over the last few years. Declining revenues from the state, soaring health care and retirement costs, coupled with unfunded state and federal mandates for schools have led school districts to a point of financial crisis.

The students, families, and staff have all felt the painful effects of rising costs, declining revenues, and school closures. Based upon the experience of other districts, subcontracting support services may provide a savings of roughly \$4 million per year. These savings can be invested in our core mission of educating students.

**10. Is Farmington Public Schools downsizing?**

No. We have to allocate resources in a fashion that reflects responsible budgeting and good stewardship of community resources. Subcontracting these services has the potential to provide savings that can be reallocated to direct instructional programs and services without reducing the quality of education for our community.

**11. How will you ensure quality?**

As part of our due diligence, we will review the quality of services provided by the company to their current clients. We will talk to prospective bidders and review their prior track record.

Other districts that we have discussed this with have assured us that their experience with vendors has been positive in this area. Because these vendors specialize in these particular areas, their level of competency and quality assurance is very high.

**12. How will the service review of the Information Technology (IT) department be conducted?**

The District has also been directed to do a cost analysis on the non-unit information technology department to determine if savings can be ascertained by subcontracting this department. The study is underway with an expectation that it will be completed consistent with the timeline established for the RFP.

**13. What happens after the Requests for Proposals are sent out? What are the next steps?**

The RFPs for transportation and custodial services have a deadline to be returned to the District by Tuesday, March 22, 2011. RFPs for nutrition services, maintenance and grounds were issued on March 18, 2011. The District will then review the RFPs, interview candidates and then make a recommendation to the Board.

If the Board decides to subcontract any of the support services covered by the RFPs, a change process will be established including the dates services are turned over to the external firm.

It is likely that such a change would align with the District's fiscal year which runs July 1 through June 30. The goal will be to ensure a seamless change and provide uninterrupted service to the schools and the students we serve. We will work hard to ensure that the services are of a similar or better quality to what we have experienced over the years.

**14. Is there a way for employees across the district to make concessions to save these employees' jobs?**

Labor law is very complex. The Board of Education and district leadership team are constrained by employment laws related to negotiating and bargaining with the various bargaining groups/unions. They must respect the union and their right to speak for their members and thus to speculate or offer solutions such as shared concessions would be a violation of the law and the rights of unions to advocate for their members.

The heart of the issue is that as labor costs rise, the Board has a financial responsibility to look at every possible option to save money. At the same time, the Board is committed to giving the union an opportunity to also respond to the RFPs.

Your question reflects how hard it is to balance the school budget in this economic climate. The future financial situation is very uncertain and the board must gather data carefully and act in a financially responsible fashion. This is not an easy process for the staff or the board. At the same time, the district must be unwavering about keeping dollars focused on educating children.

**15. Are there safety concerns for the District in regards to property, students, and staff if the district outsources support services? Do the service companies do background checks and, if so, how will we know they are done?**

In Farmington Public Schools, every person in leadership and every staff member is committed to creating a safe and positive learning environment. This is reflected in our school policies, it is reflected in the values that we teach and uphold in every school, and it is reflected in the ongoing behavioral expectations that occur for every person, students and staff members in our district.

These expectations and commitments will not change. Regardless if the district works with an alternative provider to support the district with services or if the district continues to work with the current unions to provide those services, there will continue to be a high threshold of behavioral expectations.

More specifically to the question of background checks and safety laws, in 2005 the state enacted laws that are commonly referred to as the School Safety Initiative. These laws established expanded requirements for criminal background checks for both school employees, as well as those who regularly work in schools under contracts with outside vendors. The service company must conduct the same criminal background checks we do on all of our school employees and applicants.

In addition to performing the same criminal background checks, the service company providing contracted employees must document to the school district that the background checks have been performed in compliance with the law. Other districts that have made this choice have not had problems with school safety.