

June 30, 2009

Letter to the Times Picayune Editor:

RE: "Make tough calls on spending," Our Opinions, May 16

The Orleans Parish School Board Financial Working Group is an independent group consisting of experts in education, law, facilities and finance put together by the Scott S. Cowen Institute for Public Education Initiatives in October of 2008. We applaud the Orleans Parish School Board (OPSB) for making difficult spending cuts to significantly reduce their budget deficit.

Despite these painful cuts, OPSB will still have a deficit of \$6.8 million, due to costs beyond the operation of its four schools. It has a structural deficit that is primarily due to expenses it pays on behalf of its charters and legacy costs remaining from when the system was larger. These issues must be addressed over time.

Currently, OPSB charters are receiving revenues intended for the repayment of OPSB debt. However, the OPSB charters—unlike every RSD school, traditional or charter—are not contributing to the repayment of that debt. As a result, OPSB is picking up the cost without receiving reimbursement from each OPSB charter school of its equitable share of the debt. This needs to change. When the charter contracts come up for renewal in 2010, they should be amended to require the charter schools to pay their fair share of the bond debt. OPSB cannot pay these costs and have a balanced budget.

OPSB also needs to develop a long term plan to address the remaining legacy costs of workers' compensation, legal fees and retiree health care. The OPSB Financial Working Group is committed to working with OPSB both to identify ways to reduce these costs over time and to find appropriate ways of financing these expenses.

The OPSB Financial Working Group appreciates the hard work the OPSB and the Administration have undergone to produce a much reduced budget. We look forward to OPSB implementing additional solutions that will further reduce or eliminate their deficit for the next fiscal year.

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