



Budget Compensation Recommendation

June 19, 2018

Budget Committee 2017-18

Governor's Budget approved with revisions May 1, 2018

- Budget committee reconvened:

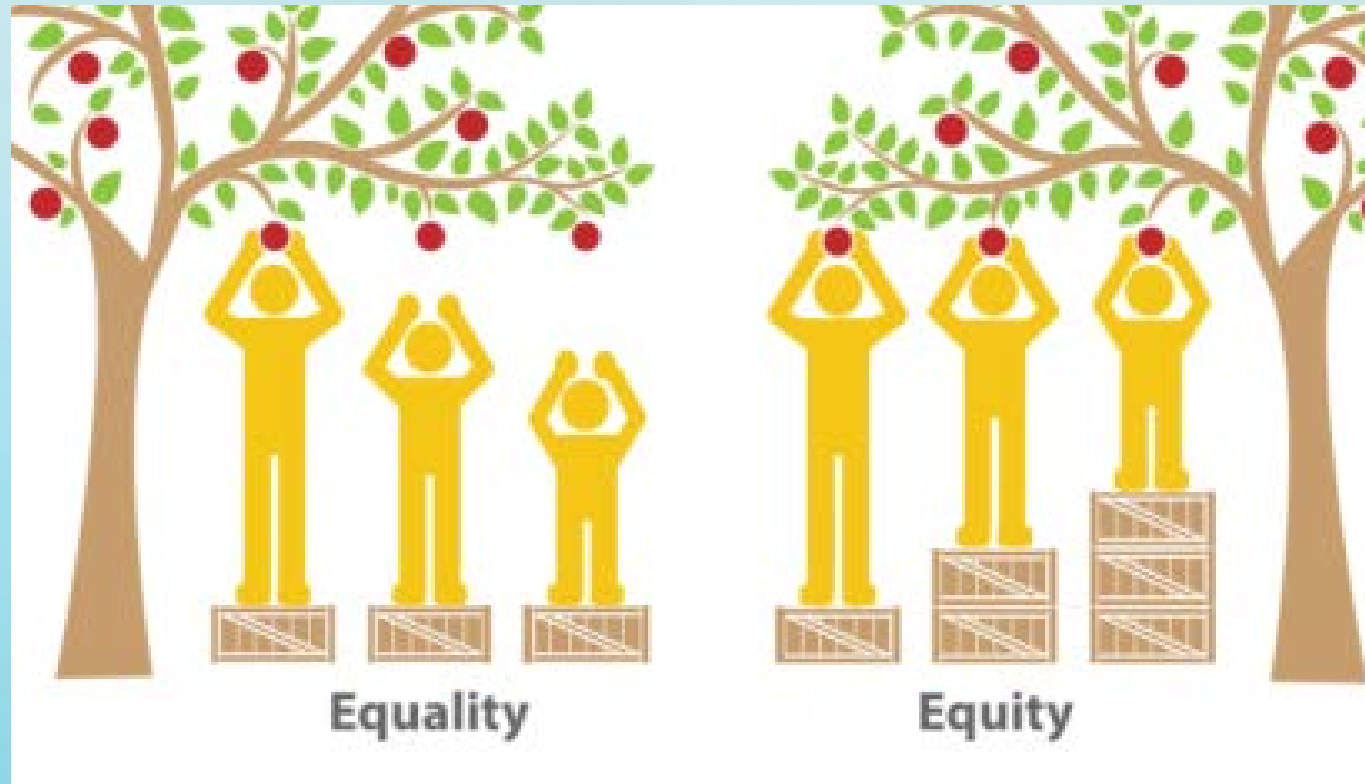
- May 15, 2018
- May 22, 2018
- May 24, 2018 - Via Email

Final recommendation:

33 – yes

6 – no

Which of these is Fair?



The background of the slide is a soft, teal-colored image of a misty landscape. It features a calm body of water in the foreground, with misty mountains and hills in the background. The overall tone is serene and ethereal.

Background for Recommendation



Adopted for 2018-19

Ongoing Costs

17-18 \$2,221,192 ongoing

18-19 add

\$ 650,000 3% increase

\$ 200,000 begin impl.sal.study

Annual / One-Time Costs

18-19

\$ **898,726*** Longevity

\$ 200,000 Athletics

\$ 150,000 EBT approx.
\$290.00 per empl.only to
offset benefit increase

2018-19 Total =

Maximum

\$3,900,705 est (16-17)

\$4,319,918 est (17-18)

\$3,071,192 ongoing w/study

* \$420,000+ from high performing schools award (one time funding) and M & O



18-19 / One-Time Costs

Longevity One-Time “Supplemental Pay” -
Based on Previous Year’s (17-18) Salary

<u>Years</u>	<u>Percentage</u>
20 +	8%
15-19	7%
10-14	6%
5-9	5%
1-4	<u>1%</u>

898,726



Salary Study

- Board Adopted:
 - Addressed administrative salaries
 - Addressed Psych and Therapist salaries
 - Addressed greatest outliers-
 - incl FSPs; TECHS, SLPA/COTA/PTAs, Counselors, Nurses
 - Addressed certificated base- added \$250.00

SEE HANDOUT

RANKINGS

Comparison district ratios may vary; not all districts have all positions; some districts contract out for certain services.

Comparisons were done at **Maximum Entry level** rates; 1 = highest paid

Job Title	Comparison to Similar Districts 1 = highest paid	Adjusted Base for Entry Levels	Comparison After Base Adjustments	
Director	6 / 7	X	5 / 7	
H.S. Principal	7* / 7	X	5 / 7	Tied for 7 th
M.S. Principal	8 / 8	X	7 / 8	
El. Principal	8 / 8	X	7 / 8	
Asst. Prin.	7 / 8	X	4 / 8	
Psychologist	5 / 5	X	2* / 5	Tied for 2 nd .
Therapist	8 / 8	X	3* / 8	Tied for 3 rd
Counselors	3 / 4	X	3 / 4	Adjusted to ensure daily rate higher than teacher with same education.
Nurse- RN	5 / 6	X	2 / 6	
Nurse- LPN	5 / 5	X	4 / 5	
Supv. Maint.	2 / 6			
Supv. Trans.	2 / 6			
Supv. Food srv.	2 / 5			
Info. Mgr.	1 / 4			
Comp. Tech	7 / 9	X	2 / 9	
Lab Mgr.	5 / 7	X	2 / 7	
Admin. Asst	7 / 9	X	3* / 9	Adjusted to ensure min. entry level competitive; tied for 3 rd : #1 at max entry.
Office. Asst	2 / 8			
Personal Care Asst.	1 / 7			
Media/Libr. Asst.	1 / 7			

Parapro. *****	1 / 7			
Attendance	2 / 8			
Crafts/Skilled Maint. *****	3 / 8			Very close to rate of #2. Next closest is \$2.00 less per hour.
Mechanic	3 / 9			Next closest is \$2.00 less per hour.
Custodian	2 / 8			
Grounds	1 / 6			
Bus Driver	2 / 9			
Bus Monitor	1 / 8			
FSP- no comparable positions in study		X		Adjusted to ensure daily rate higher than custodians whom they supervise
Teacher - BA	5 / 9	X*	5 / 9	Rate for #2 = +\$14,000 above LHUSD
Teacher - MA	5 / 9	X*	5 / 9	Rate for #2 = +\$17,000 above LHUSD
Teacher – MA + 48	4 / 6	X*	4 / 6	Rate for #2 = +\$20,000 above LHUSD
				*Added \$250 to base



Salary Study Impact

Approximately 100,000 to classified positions; psych and therapist positions; resulted in actual raises greater than the 3% offer.

Majority of remainder went to certified and admin positions for entry level; resulted in no actual raises in addition to the 3%.

1% = 145,000

.34%

1% = 76,000

1.3%



EBT Actuarial Recommendations

- Increase Employee contribution 25%(28)
- Increase Dependent contribution 19%(21)
- Next steps for EBT:
 - Strategic Plan- approx. one year reserves at current contribution rate
 - Review plan design/ benefits offered (minimal impact)
 - Review cost effectiveness of clinic



Other Compensation – H & W

2018-19 + 10% increase = \$771.82 per employee


- $\$771.82 \times 530 = \$409,064.60 =$
1.85% raise


2019 -20 +15% increase = \$1,273.50 per employee

- $\$1,273.50 \times 530 = \$674,955.00$
3.05% raise

Total additional contribution \$1,084,019.60

Total for 19-20 4.9% raise (\$221,000 = 1%)

 <div>Base plus 301 for beginning salary = \$40,499.03</div>	Certified (187)	Low	Mid	High	Average*	<div>Base plus 301 for average salary = \$46,161.18</div>	
	2017-18 - added \$2,000 to existing teachers						
	Base	33,500.00	47,779.50	62,059.00	39,162.15		
	Health Benefits	7,718.16	7,718.16	7,718.16	7,718.16		
	Other Benefits	6,700.00	9,555.90	12,411.80	7,832.43		
	301 w/o benefits deduction	6,999.03	6,999.03	6,999.03	6,999.03		
	Total Compensation	54,917.19	72,052.59	89,187.99	61,711.77		
	2018-19 - added 3% to existing teachers						
	Base	33,750.00	48,835.39	63,920.77	40,269.82		
	Health Benefits	8,489.98	8,489.98	8,489.98	8,489.98		
<div>Base plus 301 for beginning salary = \$40,749.03</div>	Other Benefits	7,087.50	10,255.43	13,423.36	8,456.66	<div>Base plus 301 for average salary = \$47,268.85 + 7% to base = \$50,087.74</div>	
	301 w/o benefits deduction (17-18)	6,999.03	6,999.03	6,999.03	6,999.03		
	Total Compensation	56,326.51	74,579.83	92,833.14	64,215.49		
	*Attorney General includes 301 when calculating average salaries						
	fppt.com						

 <p>Other benefits Include ASRS, Social Security, Medicare, etc.</p>	Classified (180 – 261)	Low	Mid	High	Average
	2017-18 - added \$2,100 – 3,000 to base				
	Hourly	\$10.50	\$13.54	\$23.74	\$13.81
	Health Benefits	7,718.16	7,718.16	7,718.16	7,718.16
	Other Benefits	\$2.10	\$2.70	\$4.75	\$2.76
	Total Compensation	\$12.60 +ben.	\$16.24 +ben.	\$28.49 +ben.	\$16.57 +ben.
	2018-19 - added 3% to base				
	Hourly	\$10.50*/11.00 (\$11,880.00)	\$14.21	\$24.45 (\$51,051.60)	\$14.39
	Health Benefits	8,489.98	8,489.98	8,489.98	8,489.98
	Other Benefits	\$2.31	\$2.98	\$5.13	\$3.02
	Total Compensation	\$13.31 +ben.	\$17.19 +ben.	\$29.58 +ben.	\$17.41 +ben.
		180 days/6 hrs =14,374 + ben.		261 days/8 hrs =61,763 + ben.	
*prior to January 1 st increase in minimum wage					

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Certified:

Top pay – \$63,920.

H/W = + 13%

Low pay – \$33,750.

H/W = + 25%

Classified (non-management):

Top pay – \$51,051.

H/W = + 17%

Low pay – \$11,880.

H/W = + 70%



2018-19 Governor's Budget

Increased budget capacity for each district will vary based on formula calculations.

Increase to the Base Formula Amount	
Base Amount FY18	\$3,683.27
Inflation adjustment	\$66.30
Teacher Salary Increase	\$210.50
Base Amount FY19	\$3,960.07
Total Increase	\$276.80

District budget capacity = \$3,960.07 x teacher comp
x weighted students (Group A and B) x TEI x AOI



Additional Reporting Requirements

- Applies to both districts and charters
- ADE and AG will update budget worksheets to reflect changes
- In addition, districts and charters are required to post on their websites:
 - Average salary of all teachers employed for the current year
 - Average salary of all teachers employed for the previous year
 - The dollar increase in the average salary of all teachers
 - The percentage increase in the average salary of all teachers
- ADE will report teacher salary information to the Legislature (JLBC) and the Governor's Office by November 30th.



Legislative Intent

Legislative Intent

- “The basic state aid appropriation for fiscal year 2018-2019 includes \$273,706,100, which the Legislature and Governor intend to be used for teacher salary increases.”
- “It is the intent of the Governor and the Legislature that school districts should increase the total percentage of classroom spending over the previous year’s percentages in the combined categories of instruction, student support and instructional support as prescribed by the Auditor General.”
- “A school district or other entity that receives additional funding in fiscal years 2018-2019, 2019-2020, and 2020-2021 as a result of this act may use the additional monies for increased teacher compensation in fiscal years 2018-2019, 2019-2020, and 2020-2021.”



Considerations / Assumptions

Governor's 18-19 K12 budget:

Full restoration of district additional assistance (formerly capital and soft capital) phased in over five years:

- \$100 million in FY 2019
- \$168 million in FY 2020
- \$236 million in FY 2021
- \$303 million in FY 2022
- \$371 million in FY 2023

DAA Needs and Priorities:

Safety

Textbooks

Technology

Furniture

Building Improvements – painting, flooring, electrical, plumbing, outside equipment/structures

Transportation – vehicles/equipment

**2018/2019
M&O
BUDGETED - ADM Calculations - Teacher Salary Increase**

<u>Group A</u>	2018/2019 100th		support level	weighted student count
PSD	23.000		1.450 =	33.350
K-8	3,395.000		1.158 =	3,931.410
9-12	1,640.000		1.268 =	2,079.520
	5,058.000			6,044.280
<u>Group B</u>				
Hearing Impairment	1.000	x	4.771 =	4.771
K-3	1290.000	x	0.060 =	77.400
K-3 Reading	1290.000	x	0.040 =	51.600
English Learners (ELL)	70.000	x	0.115 =	8.050
MD-R, A_R & SID-R	22.000	x	6.024 =	132.528
MD-SC, A-SC, & SID-SC	35.000	x	5.833 =	204.155
Multiple Disabil Severe Sensory Impairment	1.000	x	7.947 =	7.947
Orthopedic Impairment (Resource)	1.000	x	3.158 =	3.158
Orthopedic Impairment (Self Contained)	2.500	x	6.773 =	16.933
Preschool-Severe Delay	9.000	x	3.595 =	32.355
DD, ED, MIID, SLD, & OHI	508.000	x	0.003 =	1.524
Emotional Disability (Private)	0.000	x	4.822 =	0.000
Moderate Intellectual Disability	5.000	x	4.421 =	22.105
Visual Impairment	0.000	x	4.806 =	0.000
				562.526
			Weighted Student Count	6,606.806
Teacher Salary Increase				
	\$ 210.50			
	\$ 1,390,733			

Recommendation

Increase salaries by %

301 Staff – 10%			Remaining Staff – 7%		
Teachers – (301) 256 1% = 103,580.28 w/o fixed			All Other Staff 288 1% = 77,037.00 w/o fixed		
<u>2018-19 – Governing Board Adopted Compensation – March 6th</u>					
3% - adopted		\$375,996.41	3% - adopted		\$279,643.31
Includes \$250 to Certificated Base					
<u>2018-19 – Teacher Salary Increase – Additional Compensation - proposals</u>					
7% - proposed		\$704,272	4% - proposed		\$308,148
Benefits (21%)		\$147,898	Benefits (21%)		\$64,711
TOTAL		\$852,170			\$372,859
Includes \$2,000 to Certificated Base					
Total Additional Compensation		\$ 1,225,029	6 Specials Teachers		\$ 328,635
					= \$1,553,664

10% - 301 Staff 7% - Remaining Staff Expenditures and Funding Sources

Teacher Salary Increase = \$1,390,733

@ \$210.50 per ADM

Expenses	Description	
\$ 852,170	7% - 301 Teacher Increase*	
\$ 372,859	4% - Remaining Staff Increase*	
\$ 328,635	6 Elementary Specials Teachers	
\$1,553,664	Total	
\$ (162,931)	Difference	
\$ 162,931	Inflation	
\$ 0	Balance	

*percentages in addition to 3% increase adopted by the Board on March 6th



Average Teacher Salary if Approved

Excerpted from Budget Worksheet

AVERAGE TEACHER SALARIES (A.R.S. §15-903.E, amended by Laws 2018, Ch. 285, §10)

1. Average salary of all teachers employed in FY 2019 (budget year)	\$	44,206
2. Average salary of all teachers employed in FY 2018 (prior year)	\$	40,120
3. Increase in average teacher salary from the prior year	\$	4,086
4. Percentage increase		10%

Comments on average salary calculation (Optional):

Definition - Classroom Site Fund eligible teachers - Average Teacher Salary - Base Salary only; not including 301 or benefits





Questions