

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board X Action
 X Discussion
FROM: Dr. Susan J. Cook, Superintendent Information
 1st Reading
DATE: April 28, 2011
AGENDA ITEM: Interest-Based Negotiations (IBN) Team’s Recommendations for 2011-2012
INITIATED BY: Interest-Based Negotiations Team SUBMITTED BY: Dr. Susan J. Cook, Superintendent, and IBN Team Members
PRESENTER AT GOVERNING BOARD MEETING: Sue Snyder, Director of Organizational Development
GOVERNING BOARD POLICY REFERENCE OR STATUTORY CITATION: BBA

SUPPORTING DATA

Funding Source: Various
 Budgeted: In Process

The mission of the Interest-Based Negotiations (IBN) Team is to provide a collaborative forum for addressing District-wide terms and conditions of employment. The group is comprised of certified, classified and administrator employee representatives; additionally, Superintendent Dr. Susie Cook serves as representative for the Governing Board. IBN members utilize interest-based strategies, including consensus-building and trust-building techniques, to reach agreement regarding compensation and working condition recommendations.

Each of the issues addressed by the 2010-2011 IBN Team was considered in light of the following Governing Board interests and IBN Team interests:

- Governing Board Interests
 - Attract and maintain a stable workforce.
 - Continuously evaluate, review and if necessary, revise procedures for reduction in force.
 - Continuously evaluate, review and if necessary, revise procedures for excessing personnel.
 - Maintain District autonomy in decision-making.
 - Promote positive community relations throughout the budget process.
 - Promote the integrity of programming and parity, focusing on student achievement.
 - Balance the budget.

SUMMARY AND RECOMMENDATION

See pages 3-4.

Superintendent _____

Board Action	Motion	Second	Ave	Nav	Abstain
Adams					
Graziano					
Jahneke					
Lambert					
Maza					

Interest-Based Negotiations (IBN) Team's Recommendations for 2011-2012

April 28, 2011

Page 2

- Optimize all funding sources.
- If additional federal funding is made available, it should be distributed in a legal and equitable fashion, in accordance with laws and regulations.

- IBN Team Interests
 - Promote student achievement.
 - Retain and attract students.
 - Maintain parity among employees and schools.
 - Ensure safety and compliance.
 - Maintain workforce, jobs and employee morale.
 - Save money; cut costs; increase revenue.
 - Consider public perception, and honor commitments to the public.

Historically, for years during which increased District revenue was projected, IBN focused on compensation options to maximize the effective and equitable distribution of such increases; the team's recommendations addressed individual salary adjustments, market adjustments, compression relief, anomalies, service awards, supplemental monies, incentives and stipends. The 2008-2009 and 2009-2010 IBN Teams considered compensation components in the context of significant funding *reductions*; during the current year, the Team has sought to generate recommendations that minimize the negative impact of *still further* anticipated reductions.

Among the issues addressed in this year's IBN recommendations are the following:

- Maintaining 2010-2011 class size thresholds
- Application of existing staffing parity rubrics
- Departmental reductions
- Reorganization of night custodial staff
- Furlough days for teachers, administrators and support staff
- Through attrition, replacement of 2.0 FTE librarians with library technicians
- Through attrition, replacement of 2.0 FTE nurses with health services technicians

Effective communication with employees has remained one of IBN's most important responsibilities. Toward that end, the 2010-2011 IBN Team has continued to e-mail communiqués to all WESD employees for the duration of the process. The communiqués are intended to promote process transparency and to help employees understand the impact of external legislative and economic factors on WESD's budget.

Another medium for employee communication is the annual WESD Working Conditions Survey. This anonymous questionnaire, which was accessible online by all staff in early December 2010, assessed employees' perceptions of their work environment. In addition to serving as a vehicle for staff input, the survey encouraged and facilitated communication between supervisors and employees. Each school and department supervisor received a general recap of the given site's responses to survey questions. Supervisors shared this information with their staff, whereupon employees at each site collaboratively identified the issues/themes they wished to address in order to improve their working conditions. Each site/department developed a brief action plan to outline employees' intended follow up.

The recommendations that are included in this agenda item are based on data that is current as of the time that this material is being prepared. IBN will meet again on Monday, April 25, 2011 to consider the most recent Legislative actions, Court actions, and actions that may have been taken by the Governor on legislative bills. Any outcomes that result from the discussion will be offered to the Governing Board on April 28, 2011 during the regularly scheduled Board meeting.

SUMMARY AND RECOMMENDATION

It is recommended that the Governing Board approve the following:

1. It is recommended that the Governing Board approve applying existing school office, ELL, special education, computer lab technician and student services parity rubrics, resulting in an M&O budget reduction of \$514,000 for 2011-2012.
2. It is recommended that the Governing Board approve District departmental M&O budget reductions of \$250,000 for 2011-2012 to include reductions in staffing, overtime, supplies, and purchased services.
3. It is recommended that the Governing Board approve reorganizing night custodial staff and how custodial substitutes are hired and assigned for 2011-2012, based on site need and safety/security considerations. This action results in a cost savings of \$150,000 in the M&O budget.
4. It is recommended that the Governing Board approve establishing four work furlough days during 2011-2012, to occur on the day after Thanksgiving (11/25/2011), the day before Winter Break (12/23/2011), the Friday of Spring Break (3/23/2012) and Memorial Day (5/28/2012). This action represents an M&O budget reduction of \$1,760,000.
5. It is recommended that the Governing Board approve replacing 2.0 FTE librarians who are resigning or retiring at the end of 2010-2011 with library technicians. The M&O cost savings of this action is \$87,000.
6. It is recommended that the Governing Board approve replacing 2.0 FTE nurses who are resigning or retiring at the end of 2010-2011 with health service technicians if medically fragile students are not adversely impacted. The M&O cost savings of this action is \$48,700.
7. It is recommended that the Governing Board approve reducing the full stipend to teachers with National Board Certification from \$4,000 to \$2,500 so that it aligns with other WESD incentive stipends and with NBC stipends paid by surrounding districts; it is further recommended that the Governing Board approve reducing the new full stipend amount by 25% for 2011-2012. This action results in a cost savings of \$26,800 in the M&O budget.
8. It is recommended that the Governing Board approve reduction of 4.0 FTE Responsible Thinking Center (RTC) monitors to maintain parity among schools, resulting in a savings of \$97,000 in the M&O budget for 2011-2012.
9. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to BEGIN teachers for each of the three years of the BEGIN program for 2011-2012. This action maintains the current year M&O budget for this expense.
10. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to program coaches for summer work for 2011-2012. This action maintains the current year M&O budget for this expense.
11. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to "other professionals," including psychologists, speech therapists, social workers and counselors, for 2011-2012. This action maintains the current year M&O budget for this expense.
12. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to after-school athletic coaches for 2011-2012. This action maintains the current year M&O budget for this expense.

Interest-Based Negotiations (IBN) Team's Recommendations for 2011-2012

April 28, 2011

Page 4

13. It is recommended that the Governing Board approve that stipends for yearbook, National Junior Honor Society and student council advisors be continued for 2011-2012 at a 25 percent reduction from their respective 2008-2009 stipend level; it is further recommended that the Governing Board approve the continued allocation of 100 hours of discretionary funding per school for 2011-2012. This action maintains the current year M&O budget for this expense.
14. It is recommended that the Governing Board approve honoring all lane changes for teachers, speech therapists, principals and assistant principals for 2011-2012. M&O funding of \$178,000 is budgeted for anticipated 2011-2012 lane changes.
15. It is recommended that the Governing Board approve adding a fourth tier to the current principal salary schedule, which will impact seven veteran principals at a total cost to the M&O budget of \$35,000 plus benefits for 2011-2012.
16. It is recommended that the Governing Board approve earning one vacation day each year for those 12-month employees who currently earn ten vacation days for five years, after which they earn 15 vacation days a year. For example, a first-year employee earns ten vacation days per year; a second-year employee would earn 11 vacation days a year; a third-year employee would earn 12 days, etc. This action represents neither a cost to nor a savings in the M&O budget.

Note: IBN discussed health insurance for part-time employees, but did not conclude the discussion. IBN will meet in the near future. If the team members come to consensus about this or other agenda items, recommendations will be brought to the Board at a later date for action.

Interest-Based Negotiations Recommendations for 2011-2012

I. Identify the issue from the perspective of involved stakeholders.

Issue:

Each school year, the Interest-Based Negotiations (IBN) Team analyzes the District's employee compensation programs and makes recommendations to the Governing Board for the subsequent year. The recommendations should meet the best interests of the District, with student achievement the ultimate goal. In planning for a year in which District revenues are likely to increase, IBN's proposal typically includes some or all of the following: individual salary increases, market salary adjustments, compression relief, service awards, supplemental monies, incentives and stipends. When considering a year in which diminished revenues are anticipated, IBN's proposal focuses on budget reductions. In both scenarios, however, IBN seeks to attract and retain a stable, quality, motivated workforce, maintain parity, protect the integrity of programs throughout WESD and support the District's vision, mission and values.

For the third consecutive year, the IBN Team has faced significant fiscal challenges. They have had to address anticipated Maintenance and Operations budget reductions of \$7.9 million for FY2012 versus FY2011 – reductions that are attributable, in part, to a decline in enrollment of approximately 750 students, nearly two-thirds of whom were English language learners. Throughout their very challenging process, IBN members have struggled to *preserve* compensation to the greatest extent possible, while minimizing adverse impact on students.

Involved Stakeholders:

The 2010-2011 IBN Team is comprised of certified, classified and administrator employee representatives; Superintendent Dr. Susie Cook serves as representative for the Governing Board. Of the 24-member team, 18 are voting members, and the remaining 6 are non-voting, resource persons. Please refer to ***Attachment A*** for a list of 2010-2011 IBN members.

IBN Team members participated in five scheduled, full-day meetings. IBN also met as a full group on four additional dates for after-school meetings. Members of IBN's three subcommittees, Working Conditions, Reduction in Force and Budget, met on numerous other occasions during late afternoon/early evening hours.

II. Identify the options or alternatives that address the issue, including an option to maintain the status quo, utilizing the efficient and sufficient use of research and data. For each option, identify advantages and disadvantages.

Research/Data:

Research conducted by the IBN Team included the following:

- Developing, implementing and analyzing results (***Attachment B***) of a District-wide employee working conditions survey

- Tracking legislative updates at the state level
- Tracking legislative activity at the federal level
- Receiving frequent WESD financial status updates from Director of Business Services Cathy Thompson
- Reviewing relevant WESD policies/regulations

Options – 2011-2012 SCHOOL YEAR

In light of legislative and economic conditions, several issues materialized as priority concerns of the 2010-2011 IBN Team. These issues, the related options that team members generated, the criteria according to which they considered each option and their ensuing IBN recommendations are described below.

ISSUE: ALLOCATION OF WESD'S EDUCATION JOBS FUNDING

- **Description**
 - In November 2010, WESD was awarded approximately \$4.1 million in federal Education Jobs funding.
 - Public Law No. 111-226, Education Jobs Funds, states that funding awarded to local educational agencies “may be used only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services; and may not be used for general administrative expenses”. Such administrative expenses include those related to the operation of the District Governing Board or the Superintendent’s office, including salaries and benefits of District-level administrative employees; additionally, the District is prohibited from using Education Jobs funding toward fiscal services, human resource services and program planners and researchers.
 - According to the U.S. Department of Education’s *Initial Guidance for the States on the Education Jobs Fund Program*, funding may be used “to pay the salaries of teachers and other employees who provide school-level educational and related services. In addition to teachers, employees supported with program funds may include, among others, principals, assistant principals, academic coaches, in-service teacher trainers, classroom aides, counselors, librarians, secretaries, social workers, psychologists, interpreters, physical therapists, speech therapists, occupational therapists, information technology personnel, nurses, athletic coaches, security officers, custodians, maintenance workers, bus drivers, and cafeteria workers.”
 - The District may use Education Jobs funding for obligations made on or after 8/10/2010 and must use the funding by 9/30/2012.
- **Options**

Several options were discussed in response to the question, “How should WESD spend the Education Jobs funding?”

- Option #1:
 - Eliminate the furlough day that was scheduled for March 18, 2011;
 - Offset increased costs of Workers Compensation claims;
 - Offset increased health insurance costs; and
 - Grant each 1.0 FTE employee a one-time payment of \$550.
 - Allocate M&O funds to cover costs for employees who do not qualify for Education Jobs funding.
 - Use the balance of Education Jobs funding to offset possible FY2012 furlough days and/or to maintain staffing positions for FY2012.
- Option #2:
 - Eliminate the furlough day that was scheduled for March 18, 2011;
 - Offset increased costs of Workers Compensation claims; and
 - Offset increased health insurance costs.
 - Allocate M&O funds to cover costs for employees who do not qualify for Education Jobs funding.
 - Use the balance of Education Jobs funding, which would be significantly greater than the Option #1 balance, to offset possible FY2012 furlough days and/or to maintain staffing positions for FY2012.
- Option #3:
 - Eliminate the furlough day that was scheduled for March 18, 2011;
 - Offset increased costs of Workers Compensation claims; and
 - Grant each 1.0 FTE employee a one-time payment of \$1,115.
 - Allocate M&O funds to cover costs for employees who do not qualify for Education Jobs funding.
 - The balance of Education Jobs funding would be minimal.
- Option #4:
 - Same as Option #1, except move the balance of Education Jobs funding into the substitute teacher budget for the current school year.
- Option #5:
 - Eliminate the furlough day that was scheduled for March 18, 2011; and
 - Grant each 1.0 FTE employee a one-time payment of \$550.
 - Plan to use the balance of Education Jobs funding during FY2012.
- Option #6:
 - Restore stipends that were temporarily eliminated or reduced during the FY2011 budget process.
- Option #7:
 - Allocate Education Jobs funding to eligible staff, but do not allocate M&O funds to cover employees who do not qualify for Education Jobs funding.
- Option #8:
 - Eliminate the furlough day that was scheduled for March 18, 2011, using M&O funds (budget savings realized to date) to cover the cost for employees who do not qualify for Education Jobs funding.
 - Carry over the balance of Education Jobs funding for use during FY2012.

- **Evaluating Options**

Each of the options was evaluated in light of the following criteria:

- Maximizing resources
 - Spending wisely and according to a prudent timeline
 - Protecting the financial status of employees
 - Being good stewards of the public's money
 - Protecting the FY2012 budget and offsetting the impact on employees of possible budget reductions
 - Remaining in compliance
 - Improving morale
 - Taking care not to give money to employees only to have it taken away the following year
- **Recommendation**
In light of the evaluation results, IBN recommended Option #8. This option was presented to the Governing Board on January 27, 2011, at which time the Board approved designating March 18, 2011 as a regular, paid holiday.

ISSUE: EMPLOYEE PHASED RETIREMENT PROGRAM

- **Description**
WESD was offered the opportunity to contract with smartschoolsplus, inc. to reestablish a phased retirement program for 2011-2012.
- **Options**
Options were proposed based on the following considerations:
 - For what period of time would participants be allowed to remain in the program?
 - How would program eligibility be determined?
 - What compensation and benefits would participants be offered?
 - How would program participants be impacted by a reduction in force?
- **Evaluating Options**
Each of the options was evaluated in light of the following criteria:
 - Saving District money
 - Predictability in the budget
 - Stability; not depending on smartschoolsplus, inc.
 - Correcting perception of salary inequities: phased retirement and return-to-work employees versus regular employees
 - Retaining the best, strongest, most productive employees
 - Balance of new and veteran employees
 - Future staffing flexibility
 - Ensuring that potential participants understand the program parameters
 - Honoring employee longevity while complying with the law
 - Establishing equitable procedures for reduction in force and return-to-work procedures
- **Recommendation**
On February 10, 2011, the Governing Board approved IBN's phased retirement program recommendation, the parameters of which are indicated below:

- Program Duration
 - The program is for one year only (2011-2012).
 - At the end of 2011-2012, positions held by program participants will be opened as vacancies, or, if necessary, they may be considered for possible budget reductions. Program participants may reapply to WESD to be considered for posted vacancies; external application, selection, salary placement and benefits procedures will apply.
- Program Eligibility
 - The program will be open to eligible members of all employee groups with the exception of the Superintendent, per GCQE-R.
 - To be eligible, an individual must
 - ✓ be currently employed by WESD for five or more consecutive years;
 - ✓ qualify for full retirement benefits through ASRS;
 - ✓ complete the WESD application process.
 - Selection of program participants from among eligible applicants will be based on the combined results of an individual's Reduction in Force rubric, Productive Culture rubric and performance evaluations.
 - A program participant's intended placement will be at the site where he or she was located immediately prior to retirement.
- Program Compensation and Benefits
 - A program participant will receive 80% of the base salary earned during his or her final year of employment with WESD.
 - WESD will pay smartschoolsplus, inc. 91% of the base salary earned by the program participant during his or her final year of district employment.
 - WESD will not pay program participants' health insurance.
 - Program participants with 12-month positions will be granted 12 general leave days up front; participants with less than 12-month positions will be granted 10 general leave days up front.
 - Program participants with 12-month positions will receive 10 vacation days up front.
 - Program participants will not be eligible for professional development days.
 - Program participants will not be eligible to receive incentives, unless 2141, a function of No Child Left Behind that requires the equitable distribution of teachers, is instituted.
 - Program participants will be eligible to receive stipends for additional work completed, if applicable; in such circumstances, WESD would pay 100% of the stipend amount to smartschoolsplus, inc.
 - Program participants will not be eligible to serve on the following District committees:
 - ✓ IBN Team
 - ✓ Planning and Steering Council
 - ✓ Facilities Council
 - A program participant may serve on a curriculum-related committee, if the work of the committee impacts the participant's current-year students.
 - A program participant may serve on other committees, including Site Council, only if doing so is a requirement of his or her position, and only with the approval of his or her principal and/or the Superintendent or designee. (Site Council meetings are open to anyone, including program participants, to attend.)
 - Program participants will not be paid for any days, i.e., furlough days, for which regular District employees are not compensated.

ISSUE: PRINCIPAL SALARY SCHEDULE

• Description

- The current principal salary schedule reflects anomalies that have remained unaddressed for several years. The consequences, which have become more severe with the passage of time, are evidenced by WESD’s struggle to recruit and retain quality principals.
- WESD’s beginning principal salary is comparable to that offered by surrounding districts; however, the ending principal salary is \$6,000 to \$7,000 below market value.
- Currently, a WESD principal who has 21 years of experience earns the same salary as one who has only 8 years of experience.
- A 2011-2012 principal vacancy, which has been posted since 12/1/2010, for which numerous applications have been submitted and reviewed, and for which interviews have been conducted, still remains unfilled.

• Options

- Option #1: Add a fourth tier to the current principal salary schedule.
- Option #2: Eliminate stipends for 5th and 6th grade athletics, and use the savings to add a fourth tier to the current principal salary schedule.
- Option #3: Pay a stipend for hard-to-fill principal positions.
- Option #4: Develop a performance pay plan for principals.
- Option #5: Eliminate the principal tier system, effective with the 2012-2013 school year.

• Evaluating Options

Each of the options was evaluated in light of the following criteria:

- Keeping top quality administrators who help move WESD schools forward
- Not recreating salary compression issues
- Recruitment of quality administrators
- Fairness to this employee group and to all employee groups; impact on employee morale
- Impact on budget, particularly in light of WESD’s financial obligations and budgetary constraints
- Importance of quality leadership

• Recommendation

IBN is recommending Option #1, the addition of a fourth tier to the current principal salary schedule:

○ Current WESD Principal Salary Schedule:

Tier I	0 to 4 years of principal experience	Salary: \$75,606
Tier II	4 to 7 years of principal experience	Salary: \$80,606
Tier III	8 or more years of principal experience	Salary: \$85,606

○ Recommended Changes:

No changes to Tier I or Tier II		
Tier III	8 <u>to 11</u> years of principal experience	Salary: \$85,606
<u>Add</u> Tier IV	12 or more years of principal experience	Salary: \$90,606

ISSUE: CERTIFIED REDUCTION IN FORCE (RIF) REVIEW

• **Description**

- Governing Board Regulation GCQA-R, Professional Staff Reduction in Force, states that the RIF “process shall be reviewed annually.”
- The IBN RIF Subcommittee met on April 4, 2011 to conduct their annual RIF process review.
- The group focused on teachers’ concerns regarding Section (4.) of the RIF Rubric (***Attachment C***).
 - Special area teachers do not receive a point in Subsection (d.) for teaching multiple grade levels.
 - Teachers who lack a master’s degree but have accumulated an equivalent number of professional development credits do not receive points in Subsection (f.).
 - Although Section (4.) accounts for a maximum of only nine percent of the total possible rubric points, the challenge of actually obtaining the maximum section score is causing morale issues among some teachers.

• **Options/Evaluating Options**

RIF Subcommittee members brainstormed a variety of options that targeted Section (4.) of the RIF Rubric. They evaluated each option based on the following interests/criteria:

- Attract and maintain a stable, highly qualified workforce, while protecting the integrity of programming and parity.
- Develop fair, equitable and clear procedures for reduction in force, should they be necessary.
- Maintain District autonomy in decision-making, while meeting the requirements of statute and regulation, including Race to the Top.
- Focus on/maximize student achievement/growth.

• **Recommendation**

The full IBN Team reached consensus regarding the following recommended revisions, which are reflected on ***Attachment D***:

- ***Eliminate*** the possible one point for *certified teaching experience in more than one of the following areas/grade levels: K-3, 4-6, 7-8; special subject area (art, music, PE)*.
- ***Eliminate*** the possible two points for *master’s degree in education-related field*.
- ***Add*** the points indicated below *for education level based on current lane placement within the WESD Certified Teacher Salary System*.
 - Teacher is on Lane 1 (BA) = 0 points
 - Teacher is on Lane 2 (BA+15) = 1 point
 - Teacher is on Lane 3 (MA, or BA+34) = 2 points
 - Teacher is on Lane 4 (MA+15, or BA+34) = 3 points
 - Teacher is on Lane 5 (MA+30, or BA+64) = 4 points
- ***Change*** the points granted for *doctorate in education-related field* from 2 points to 1 point.

ISSUE: BUDGET REDUCTIONS

- **Description**
 - WESD student enrollment has declined by approximately 750 students during the current school year; of these 750 students, 500 have been English language learners. Both factors significantly impact funding levels for FY2012.
 - According to the most recent information available, the allocation of Maintenance and Operations (M&O) funding that WESD receives from the State for FY2012 will be \$7,963,557 less than the District’s FY2011 M&O allocation.
 - In order to achieve a balanced budget in FY2012, WESD must identify and, with the Governing Board’s approval, implement significant budget reductions.

- **Options/Evaluating Options**

IBN Budget Subcommittee members provided leadership to the full IBN Team in brainstorming budget savings options for the District. Each option was considered in light of the following interests/criteria:

 - Promoting student achievement and minimizing impact on students
 - Maintaining programs
 - Retaining employees
 - Supporting employee morale
 - Preserving established parity standards
 - Retaining and attracting students
 - Remaining compliant and honoring commitments to stakeholders

Option #1: In accordance with the parameters outlined previously in this document, implement a phased retirement program through smartschoolsplus, inc. for 2011-2012.

Projected M&O Savings for 2011-2012: \$700,000

Plus	Minus
Opportunity to retain qualified, trained, productive personnel and to honor their longevity	Status of smartschoolsplus, inc. employees as leased employees/ independent contractors versus WESD employees
Benefits related to employee retention, including reduced turnover costs and program continuity	Program participants not eligible to receive incentives, bonuses, Proposition 301 monies
Reduced costs to District achieved through elimination of benefits expenses (health insurance, FICA/Medicare, unemployment insurance, Workers’ Compensation, ASRS matching contributions)	Concern that availability of phased retirement program may encourage employees to retire at a younger age than they would if program were not available
Increased earning opportunity for program participants	Possible negative perception of phased retirement programs by some employees and community members, as well as the media, due to “double dipping” nature of programs and alleged drain on ASRS

Option #2: Maintain 2010-2011 class size thresholds.

Projected M&O Savings for 2011-2012: \$1,683,000

Plus	Minus
Average class size per grade level is significantly lower than established threshold	Inequities created by school size and school type (elementary vs. middle school)
Cost savings	Size of classroom creates physical limitations in some situations
Not <i>increasing</i> class sizes is positive in terms of promoting student achievement, safety, classroom management, employee morale	Mainstreaming more of a challenge and less successful if class sizes are large

Option #3: Apply existing parity rubrics for determining 2011-2012 staffing needs in the following areas: school office, ELL, special education, computer lab technicians, student services.

Projected M&O Savings for 2011-2012: \$514,000

Plus	Minus
A proven tool: rubrics were approved by Governing Board and originally implemented several years ago	Unless reduced positions are vacant, reductions likely to result in employees being excessed
Means of adjusting for declining enrollment	
Means of maintaining parity throughout District	
Cost savings	

Option #4: Implement department reductions of personnel and other resources.

Projected M&O Savings for 2011-2012: \$250,000

Plus	Minus
Shows everyone is in same boat	Made significant department reductions last year
Might help change perception that more money is spent outside of classroom	Spreads departments too thin
Some would rather see a cut in service than other cuts, e.g., salary	Workload increases for others, including school staff
Cost savings	Service is reduced or delayed
	Hurts morale
	Staff may be improving efficiency and/or saving money; those benefits would be eliminated
	Could result in compliance issues

Option #5: Reorganize night custodial staff and how custodial substitutes are hired and assigned.

Projected M&O Savings for 2011-2012: \$150,000

Plus	Minus
Night custodian allocations/assignments to be based on site need	Employees' adjustment to changes
Will positively impact safety/security	
More efficient/effective use of custodial personnel	
Cost savings	

Option #6: Establish four employee work furlough days during 2011-2012: 11/25/2011, 12/23/2011, 3/23/2012, 5/28/2012.

Projected M&O Savings for 2011-2012: \$1,760,000

Plus	Minus
Students not adversely impacted	May be hard for individuals to budget for
Temporary	Have not had to take furlough days this year; not a reality to employees
Generates significant savings	
Retain current salary level/scale	
If Legislature passes SB 1263, may be able to reduce number of days from four to three	
Employees already familiar with concept	
Measure that has been implemented by other districts and organizations	
"We are all in this together"	

Option #7: Replace 2.0 FTE librarians (resigning/retiring at end of 2010-2011) with library technicians.

Projected M&O Savings for 2011-2012: \$87,000

Plus	Minus
Change is through attrition	Technicians cannot teach
A number of schools currently have technician only and report satisfaction with arrangement	
Cost savings	

Option #8: Replace 2.0 FTE nurses (resigning/retiring at end of 2010-2011) with health service technicians

Projected M&O Savings for 2011-2012: \$48,700

Plus	Minus
Appropriate care of medically fragile students will not be impacted by change	Possible greater reliance on District health supervisor
Change is through attrition	
A number of schools currently have health service technician in lieu of nurse and report satisfaction with arrangement	
Cost savings	

Option #9: Reduce full stipend to teachers with National Board Certification (NBC) from \$4,000 to \$2,500, and reduce the new full stipend amount by 25% for 2011-2012.

Projected M&O Savings for 2011-2012: \$26,800

Plus	Minus
Reduced full stipend amount aligns with other WESD incentive stipends	Income loss for NBC teachers
Reduced full stipend amount aligns with NBC stipends paid by surrounding districts	
Twenty-five percent reduction is consistent with other WESD stipend reductions	
Cost savings	

Option #10: Reduce Responsible Thinking Center (RTC) monitors to one position per school for schools that have an RTC program (4.0 FTE).

Projected M&O Savings for 2011-2012: \$97,000

Plus	Minus
Maintains parity among schools	Workload increase for remaining RTC staff
Cost savings	

ISSUE SUMMARY: WORKING CONDITIONS

With direction provided by the IBN Working Conditions Subcommittee, the IBN Team addressed several issues pertaining to working conditions for District employees:

- Employees throughout the District were encouraged to complete the 2010 IBN Working Conditions Survey, the results of which are presented in **Attachment B**.
 - Each school and department was provided site-specific survey results that supervisors were asked to share with staff.
 - Based on the results, employees at each site worked together to identify the specific issues/themes they would address in order to improve their working conditions.
 - Each site developed a brief action plan in which they outlined their intended follow up.

- Information provided by principals confirmed IBN’s concern that certified class coverage procedures were being administered inconsistently among schools.
 - Appropriate measures have been taken to ensure uniform, equitable administration of leave policy without sacrificing flexibility.
 - Discussion among principals has raised their awareness of acceptable and appropriate application of class coverage procedures.

- Some 12-month classified employees voiced concern regarding their required use of five vacation days during WESD’s Winter Break closure. In response, the IBN Working Conditions Subcommittee considered numerous options before developing the following multi-part recommendation and obtaining consensus for the recommendation by the full IBN Team:
 - Continue the current practice of requiring 12-month classified staff to use vacation for winter break;
 - Exceptions, e.g., new hires, personnel responsible for District safety/security or other programs that have to remain opened, must be worked out with the Human Resources Department;
 - Aside from the exceptions referenced above, all WESD school and District locations will be closed during winter break;
 - The 12-month employee calendar will clearly designate the winter break closure and the required use of 5 vacation days by classified staff;
 - Hiring supervisors must notify newly hired employees of the vacation usage requirement during winter break;
 - 12-month classified employees hired after October 2008 will receive 10 vacation days during their first year of employment. They will receive one additional vacation day each subsequent year until their total annual number of vacation days is 15. Upon completion of 10 years of employment with the District, they will be granted a total of 20 vacation days each year thereafter. The revised regulation is included as ***Attachment E***.

- Some employees have expressed frustration related to time management and time constraints. In response, efforts will be made to communicate methods of streamlining processes, working “smarter, not harder” and exploring PLC alternatives.

III. Prepare a cost-benefit analysis/cost assessment of each option.

The following recap of estimated budget reductions for 2011-2012 incorporates and reflects the recommendations proposed by the IBN Team. (*Please Note: All budget information provided is estimated and based on data that are current as of the time that this agenda item is being prepared. The Arizona legislative session has not concluded yet, and further budgetary changes could be forthcoming.*)

WESD’s Estimated State Funding Loss for 2011-2012	\$ (7,963,557)
Additional Budget Balance Carry-forward	\$ 1,000,000
Remaining Education Jobs Funding	\$ 1,392,813
Net WESD Budget Reduction for 2011-2012	\$ (5,570,744)

<u>Type of Reduction</u>	<u>Amount of Reduction</u>
Implementing phased retirement program through smartschoolsplus, inc. for the 2011-2012 school year (IBN recommendation approved by Governing Board on 2/10/2011)	\$ 700,000
Maintaining 2010-2011 class size thresholds (accounts for loss of enrollment)	\$ 1,683,000
Applying existing parity rubrics for determining 2011-2012 staffing needs in the following areas: school office ELL, special education, computer lab technicians, student services	\$ 514,000
Implementing department reductions of personnel and other resources	\$ 250,000
Reorganizing night custodial staff and how custodial substitutes are hired and assigned, based on site need and safety/security considerations	\$ 150,000
Establishing four employee work furlough days during 2011-2012	\$ 1,760,000
Replacing 2.0 FTE librarians (resigning/retiring at the end of 2010-2011) with library technicians	\$ 87,000
Replacing 2.0 FTE nurses (resigning/retiring at the end of 2010-2011) with health service technicians (<u>Note: Appropriate care of medically fragile students will <u>not</u> be impacted by these changes.</u>)	\$ 48,700
Reducing full stipend to teachers with National Board Certification from \$4,000 to \$2,500 so that it aligns with other WESD incentive stipends and with NBC stipends paid by surrounding districts, and reducing the new full stipend amount by 25% for 2011-2012 in accordance with other WESD stipend reductions	\$ 26,800
Reduction of 4.0 FTE Responsible Thinking Center (RTC) monitors to maintain parity among schools	\$ 97,000
TOTAL RECOMMENDED BUDGET REDUCTIONS	\$ 5,316,500

(Note: The budget is not balanced, but the difference can be made up with vacancy savings.)

IV. Seeking stakeholder feedback when relevant and/or necessary.

Employees received periodic communiqués (*Attachment F*) via e-mail throughout the IBN process. In addition to providing updated information, each communiqué sought to dispel rumors and to encourage

employees to share their questions, comments and suggestions with their respective IBN representative. Each communiqué listed the names and e-mail addresses of all IBN Team members.

V. Use conclusion(s) to develop a rationale and prepare recommendation(s) to present to the Governing Board for action.

Conclusions:

- As a result of national, state and local economic challenges, declining student enrollment and Arizona's budget shortfall, WESD is faced with significant fiscal challenges for 2011-2012.
- With regard to the 2010-2011 IBN process, the Governing Board's interests and those of the IBN Team are very closely aligned. Both groups have sought to balance the budget, protect programming, support morale, obtain staff buy-in, retain employees, focus on student achievement and maintain parity among schools. These interests are reflected in the recommendations that IBN is presenting.

Recommendations:

1. It is recommended that the Governing Board approve applying existing school office, ELL, special education, computer lab technician and student services parity rubrics, resulting in an M&O budget reduction of \$514,000 for 2011-2012.
2. It is recommended that the Governing Board approve District departmental M&O budget reductions of \$250,000 for 2011-2012 to include reductions in staffing, overtime, supplies, and purchased services.
3. It is recommended that the Governing Board approve reorganizing night custodial staff and how custodial substitutes are hired and assigned for 2011-2012, based on site need and safety/security considerations. This action results in a cost savings of \$150,000 in the M&O budget.
4. It is recommended that the Governing Board approve establishing four work furlough days during 2011-2012, to occur on the day after Thanksgiving (11/25/2011), the day before Winter Break (12/23/2011), the Friday of Spring Break (3/23/2012) and Memorial Day (5/28/2012). This action represents an M&O budget reduction of \$1,760,000.
5. It is recommended that the Governing Board approve replacing 2.0 FTE librarians who are resigning or retiring at the end of 2010-2011 with library technicians. The M&O cost savings of this action is \$87,000.
6. It is recommended that the Governing Board approve replacing 2.0 FTE nurses who are resigning or retiring at the end of 2010-2011 with health service technicians if medically fragile students are not adversely impacted. The M&O cost savings of this action is \$48,700.
7. It is recommended that the Governing Board approve reducing the full stipend to teachers with National Board Certification from \$4,000 to \$2,500 so that it aligns with other WESD incentive stipends and with NBC stipends paid by surrounding districts; it is further recommended that the Governing Board approve

reducing the new full stipend amount by 25% for 2011-2012. This action results in a cost savings of \$26,800 in the M&O budget.

8. It is recommended that the Governing Board approve reduction of 4.0 FTE Responsible Thinking Center (RTC) monitors to maintain parity among schools, resulting in a savings of \$97,000 in the M&O budget for 2011-2012.
9. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to BEGIN teachers for each of the three years of the BEGIN program for 2011-2012. This action maintains the current year M&O budget for this expense.
10. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to program coaches for summer work for 2011-2012. This action maintains the current year M&O budget for this expense.
11. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to "other professionals," including psychologists, speech therapists, social workers and counselors, for 2011-2012. This action maintains the current year M&O budget for this expense.
12. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to after-school athletic coaches for 2011-2012. This action maintains the current year M&O budget for this expense.
13. It is recommended that the Governing Board approve that stipends for yearbook, National Junior Honor Society and student council advisors be continued for 2011-2012 at a 25 percent reduction from their respective 2008-2009 stipend level; it is further recommended that the Governing Board approve the continued allocation of 100 hours of discretionary funding per school for 2011-2012. This action maintains the current year M&O budget for this expense.
14. It is recommended that the Governing Board approve honoring all lane changes for teachers, speech therapists, principals and assistant principals for 2011-2012. M&O funding of \$178,000 is budgeted for anticipated 2011-2012 lane changes.
15. It is recommended that the Governing Board approve adding a fourth tier to the current principal salary schedule, which will impact seven veteran principals at a total cost to the M&O budget of \$35,000 plus benefits for 2011-2012.
16. It is recommended that the Governing Board approve earning one vacation day each year for those 12-month employees who currently earn ten vacation days for five years, after which they earn 15 vacation days a year. For example, a first-year employee earns ten vacation days per year; a second-year employee would earn 11 vacation days a year; a third-year employee would earn 12 days, etc. This action represents neither a cost to nor a savings of the M&O budget.

UPDATED Interest-Based Negotiations (IBN) Recommendations for 2011-2012

The following recommendations reflect outcomes of the IBN meeting that was held on Monday, April 25, 2011:

1. It is recommended that the Governing Board approve applying existing school office, ELL, special education, computer lab technician and student services parity rubrics, resulting in an M&O budget reduction of \$514,000 for 2011-2012.
2. It is recommended that the Governing Board approve District departmental M&O budget reductions of \$430,000 for 2011-2012 to include reductions in staffing, overtime, supplies, and purchased services.
3. It is recommended that the Governing Board approve reorganizing night custodial staff and how custodial substitutes are hired and assigned for 2011-2012, based on site need and safety/security considerations. This action results in a cost savings of \$150,330 in the M&O budget.
4. *If Senate Bill 1263 becomes law*, it is recommended that the Governing Board approve establishing two work furlough days during 2011-2012, to occur on the day before Winter Break (12/23/2011) and on Memorial Day (5/28/2012). This action represents an M&O budget reduction of \$876,834. However, *if Senate Bill 1263 does not become law*, it is recommended that the Governing Board approve establishing three work furlough days during 2011-2012, to occur on the day before Winter Break (12/23/2011), the Friday of Spring Break (3/23/2012) and Memorial Day (5/28/2012). This alternative action represents an M&O budget reduction of \$1,294,237.
5. It is recommended that the Governing Board approve granting a one-time stipend of \$400, prorated based on 1.0 FTE, for each employee who is either non-certified and non-eligible for Proposition 301 funding, OR eligible for Education Jobs funding and non-eligible for Proposition 301 funding, to be paid on May 13, 2011.
6. It is recommended that the Governing Board approve replacing 2.0 FTE librarians who are resigning or retiring at the end of 2010-2011 with library technicians. The M&O cost savings of this action is \$87,000.
7. It is recommended that the Governing Board approve replacing 2.0 FTE nurses who are resigning or retiring at the end of 2010-2011 with health service technicians if medically fragile students are not adversely impacted. The M&O cost savings of this action is \$48,700.
8. It is recommended that the Governing Board approve reducing the full stipend to teachers with National Board Certification from \$4,000 to \$2,500 so that it aligns with other WESD incentive stipends and with NBC stipends paid by surrounding districts; it is further recommended that the Governing Board approve reducing the new full stipend amount by 25% for 2011-2012. This action results in a cost savings of \$26,800 in the M&O budget.
9. It is recommended that the Governing Board approve reduction of 4.0 FTE Responsible Thinking Center (RTC) monitors to maintain parity among schools, resulting in a savings of \$97,000 in the M&O budget for 2011-2012.

10. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to BEGIN teachers for each of the three years of the BEGIN program for 2011-2012. This action maintains the current year M&O budget for this expense.
11. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to program coaches for summer work for 2011-2012. This action maintains the current year M&O budget for this expense.
12. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to “other professionals,” including psychologists, speech therapists, social workers and counselors, for 2011-2012. This action maintains the current year M&O budget for this expense.
13. It is recommended that the Governing Board approve continuing the current status of the 25 percent reduction of the stipend paid to after-school athletic coaches for 2011-2012. This action maintains the current year M&O budget for this expense.
14. It is recommended that the Governing Board approve that stipends for yearbook, National Junior Honor Society and student council advisors be continued for 2011-2012 at a 25 percent reduction from their respective 2008-2009 stipend level; it is further recommended that the Governing Board approve the continued allocation of 100 hours of discretionary funding per school for 2011-2012. This action maintains the current year M&O budget for this expense.
15. It is recommended that the Governing Board approve honoring all lane changes for teachers, speech therapists, principals and assistant principals for 2011-2012. M&O funding of \$178,000 is budgeted for anticipated 2011-2012 lane changes.
16. It is recommended that the Governing Board approve adding a fourth tier to the current principal salary schedule, which will impact seven veteran principals at a total cost to the M&O budget of \$35,000 plus benefits for 2011-2012.
17. It is recommended that the Governing Board approve earning one vacation day each year for those 12-month employees who currently earn ten vacation days for five years, after which they earn 15 vacation days a year. For example, a first-year employee earns ten vacation days per year; a second-year employee would earn 11 vacation days a year; a third-year employee would earn 12 days, etc. This action represents neither a cost to nor a savings of the M&O budget.
18. It is recommended that the Governing Board pay speech therapists’ performance pay for 2010-2011 and for 2011-2012 using funding sources other than Classroom Site Funds.

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board X Action

FROM: Dr. Susan J. Cook, Superintendent X Discussion

DATE: February 10, 2011 Information

AGENDA ITEM: Employee Phased Retirement Program 1st Reading

INITIATED BY: Interest-Based Negotiations Team SUBMITTED BY: Dr. Susan J. Cook, Superintendent

PRESENTER AT GOVERNING BOARD MEETING: Interest-Based Negotiations Team Representatives

GOVERNING BOARD POLICY REFERENCE OR STATUTORY CITATION: BBA; ARS §15-502; HB 2027

SUPPORTING DATA

Funding Source: Various
Budgeted: Yes

The Advisory Council on Employee Welfare and Pension Plans defines phased retirement as “a gradual change in a person’s work arrangements as a transition toward full retirement.” Central to some phased retirement programs is the reduction of a participant’s work hours; other programs are rooted in a participant’s change of employers, which is the case with the smartschoolsplus, inc. program.

Phased retirement programs afford participants additional time to save for retirement or to delay spending their retirement savings. Such programs enable employers to retain experienced employees and the institutional knowledge they provide. Furthermore, employers frequently enjoy a cost savings by participating in a phased retirement program.

Arizona Revised Statute allows a member of the Arizona State Retirement System (ASRS) who retires on or after reaching normal retirement eligibility to be rehired immediately by his or her former employer without jeopardizing his or her ASRS pension, as long as the 20/20 rule is not violated, i.e., the individual can work less than 20 hours per week for any length of time or 20 hours or more per week for no more than 19 weeks during a fiscal year and less than 20 hours per week for the remainder of that year. State statute also allows an ASRS member who retired at normal retirement age and has been retired for at least 12 months to be rehired by his/her former employer without jeopardy to

SUMMARY AND RECOMMENDATION

It is recommended that the Governing Board authorize WESD to pursue a contract with smartschoolsplus, inc. for the 2011-2012 school year in accordance with the guidelines set forth in the Interest-Based Negotiation Team’s proposal.

Superintendent _____

Board Action	Motion	Second	Ave	Nav	Abstain
Adams					
Graziano					
Jahneke					
Lambert					
Maza					

Employee Phased Retirement Program

February 10, 2011

Page 2

his/her ASRS pension. As a third party entity, smartschoolsplus, inc. provides a means of circumventing the return-to-work restrictions that are imposed upon retirees during the first year of retirement. Upon retirement from a school district and through ASRS, an individual may be employed by smartschoolsplus as a temporary contract employee; having entered into a contract with the given school district, smartschools leases the individual back to the district. Typically, the individual is placed in the same or comparable position that was held prior to retirement.

Beginning with the 2004-2005 school year and through the end of the 2008-2009 school year, eligible Washington Elementary School District (WESD) employees were able to participate in the smartschoolsplus, inc. phased retirement/employee leaseback program.

On December 8, 2010, Sandee McClelland, co-owner of smartschoolsplus, inc. presented updated information about her organization's program to the District's Interest-Based Negotiations (IBN) Team. On January 14, 2011, team members implemented the interest-based process to consider the feasibility of recommending the reinstatement of a phased retirement program option for employees in 2011-2012. Members of the IBN Team shared information about the process they used and the resulting outcomes during a Governing Board Study Session on February 1, 2011. The recommendation offered on behalf of the IBN Team is that the Governing Board authorize WESD to pursue a contract with smartschoolsplus, inc. for the 2011-2012 school year in accordance with the following guidelines:

- The program is for one year only (2011-2012).
- At the end of 2011-2012, positions held by program participants will be opened as vacancies or considered for possible reductions. Program participants may reapply to WESD to be considered for posted vacancies; external application, selection, salary placement and benefits procedures will apply.
- The program will be open to eligible members of all employee groups with the exception of the Superintendent, per GCQE-R.
- To be eligible, an individual must
 - have been employed by WESD for five or more consecutive years;
 - qualify for full retirement benefits through ASRS;
 - complete the WESD application process.
- Selection of program participants from among eligible applicants will be based on the combined results of an individual's Reduction in Force rubric, Productive Culture rubric and performance evaluations.
- A program participant's intended placement will be at the site where he or she was located immediately prior to retirement.
- A program participant will receive 80% of the base salary earned during his or her final year of employment with WESD.
- WESD will pay smartschoolsplus, inc. 91% of the base salary earned by the program participant during his or her final year of district employment.
- WESD will not pay program participants' health insurance.
- Program participants with 12-month positions will be granted 12 general leave days up front; participants with less than 12-month positions will be granted 10 general leave days up front.
- Program participants with 12-month positions will receive 10 vacation days up front.
- Program participants will not be eligible for professional development days.
- Program participants will not be eligible to receive incentives, unless 2141, a function of No Child Left Behind that requires the equitable distribution of teachers, is instituted.
- Program participants will be eligible to receive stipends for additional work completed, if applicable; in such circumstances, WESD would pay 100% of the stipend amount to smartschoolsplus, inc.

Employee Phased Retirement Program

February 10, 2011

Page 2

IBN Team members responded to most questions posed by the Governing Board during the Study Session; however, the following questions will be reviewed by District Legal Counsel and addressed by the IBN Team during their scheduled meeting on February 3, 2011:

- How would smartschoolsplus, inc. participants be impacted by any furlough days that are imposed on WESD employees?
- Would smartschoolsplus, inc. employees be able to serve on the IBN Team and other District committees?

Attached please find handouts of the PowerPoint that was presented during the Board Study Session.

Employee Phased Retirement Program

Issue:

Washington Elementary School District has the opportunity to contract with smartschoolsplus, inc. in order to reestablish an employee phased retirement program for the 2011-2012 school year.

Involved Stakeholders:

WESD's 2010-2011 Interest-Based Negotiations (IBN) Team explored the feasibility of offering a phased retirement program, through smartschoolsplus, inc., to eligible employees during the upcoming school year. The Team is comprised of certified, classified and administrator representatives, and Superintendent Dr. Susie Cook serves as representative for the Governing Board. Of the 24-member team, 18 are voting members; the remaining 6 serve in a non-voting, resource capacity. The IBN team discussed the phased retirement issue during their meeting on January 14, 2011.

Components of the Interest-Based Process:

- **Story:** *the subject of discussion; the problem to be solved.* The following are story details that IBN members offered to explain the issue under consideration:
 - WESD does not currently offer a phased retirement program.
 - The District did offer a phased retirement program from 2004-2005 through 2008-2009.
 - An employee must qualify for normal retirement through the Arizona State Retirement System to be eligible to participate in a phased retirement program.
 - Employees are remaining in their jobs longer due to factors such as anxiety about their financial future and current economic conditions.
 - When the District did participate in a phased retirement program, 98 percent of the participant's original base salary was paid to smartschoolsplus, inc., while the remaining 2 percent was retained by WESD to cover the participant's substitute teacher costs.
 - Savings were realized by the District through the elimination of benefits expenses, i.e., health insurance, FICA/Medicare, unemployment insurance, Workers' Compensation, ASRS matching contributions, for smartschoolsplus, inc. employees.
 - smartschoolsplus, inc. participants did not receive incentives, bonuses or teacher performance pay (Proposition 301).
 - In order to qualify for the smartschoolsplus, inc. program, an individual had to apply and obtain his or her supervisor's approval.
 - Many of WESD's former smartschoolsplus, inc. participants remained in the program during the full five years it was available.
 - In 2004-2005, 32 individuals participated in smartschoolsplus, inc.
 - In 2005-2006, 56 individuals participated.
 - In 2006-2007, an average of 56 individuals participated.

- Some former smartschoolsplus, inc. participants returned to WESD; however, they had to apply and be selected for District employment.
 - Other smartschoolsplus, inc. participants wanted to continue with the program, but no positions were available for them.
 - During 2006-2007, the phased retirement program saved WESD approximately \$900,000.
 - Most people who participate in a phased retirement program hold full-time positions.
 - smartschoolplus, inc. benefits the participant by enabling him or her to earn more income.
 - WESD offers sick leave buyback to eligible employees who leave the District; however, to ensure receipt of the buyback during the fiscal year in which the individual terminates employment, the departing employee must notify Human Resources by February 1. Sometimes logistical issues should be considered before enforcing that deadline.
 - To date, 17 teachers have notified the District of their intent to retire at the end of 2010-2011.
 - 224 WESD employees have 80 points or more through the state retirement system, which makes them eligible for full retirement benefits through ASRS.
 - Of those, 52 have completed 30 years or more of service.
 - Thirty-five employees are 62 years of age or older and have completed 10 or more years of service; on that basis, they are eligible for full retirement benefits.
 - During the first year in which WESD's phased retirement program was implemented, neither classified employees nor administrators were eligible to participate; effective with the second year, the program was opened to all three employee categories.
 - A perception exists that phased retirement programs strongly encourage employees to retire through ASRS, thereby harming the system through the loss of their retirement contributions.
 - The state is proposing an alternative ASRS contribution rate for phased retirement participants (as well as other leased or contracted workers and return-to-work employees), effective 7/1/2014.
 - Districts would be responsible for paying a percentage of the alternate rate.
 - Options for how districts would pay the percentage are being considered.
 - City and state employees also participate in phased retirement programs.
 - The Superintendent is not eligible to participate in any phased retirement program offered by the District, as per GCQE-R.
 - Based on current District regulation, smartschoolsplus, inc. employees would be part of the reduction in force process.
 - According to ASRS regulation, a return-to-work employee may only work half-time or less during the first year following retirement.
- **Interests:** *the concerns, needs or desires underlying an issue.* IBN members discussed the following interests with respect to the issue of phased retirement:
 - Saving the District money
 - Protecting the longevity of smartschoolsplus, inc. employees
 - Notifying potential participants up front regarding the length of commitment
 - Predictability in the budget
 - Honoring employees' longevity
 - Retaining our best, strongest and most productive employees
 - Legal compliance (with new tenure law)
 - Not wanting employees to retire before they are ready to do so; protecting employees
 - Balance of new and veteran employees, i.e., teachers and other staff members

- Correcting the perception of those who are not at retirement stage that the retired teacher is making considerably more money
 - Future staffing flexibility
 - Equity between smartschoolsplus, inc. employees and regular employees with regard to reduction in force
 - Analyzing all variables and not just past policy and practice
 - Establishing a return-to-work procedure related to smartschoolsplus, inc.
 - Prioritizing WESD employees versus contracted personnel
 - Stability; not depending on smartschoolsplus, inc.
 - Individuals being willing to accept the responsibilities and know the risks of participating in a phased retirement program
- **Straw Design:** *a combination of options that meet the stated interests, as well as any other evaluative criteria, e.g., affordability, legal concerns, alignment with mission and values.* IBN members developed and reached 100 percent consensus on a straw design for a WESD phased retirement program that includes the following components:
 - The program would remain in effect for one year only.
 - The program would be intended for eligible employees who wish to work for WESD for only one more year.
 - The program would be open to eligible classified employees, certified employees and administrators; the Superintendent would not be eligible to participate.
 - There would be only one entry date into the program (July 1) for eligible participants.
 - Prospective participants would be required to complete an application process.
 - Given that a prospective participant
 - has been employed by WESD for five or more consecutive years and
 - qualifies for full retirement benefits through ASRS,
 phased retirement program eligibility would be based on the outcome of the employee's RIF rubric, Productive Culture rubric and performance evaluations.
 - The intended placement of an eligible program participant would be the site at which he was located during his or her final year of employment with WESD.
 - As a phased retirement program participant, the employee would receive 80 percent of the base salary earned during his or her final year of employment with WESD.
 - As the phased retirement program provider, WESD would pay smartschoolsplus, inc. 91 percent of the base salary earned by a given participant during his or her final year of employment with WESD.
 - Program participants would be granted all general leave time up front.
 - 12-month employees would receive 12 days of general leave.
 - Employees who work fewer than 12 months per year would receive 10 days of general leave.
 - Program participants who are 12-month employees would be granted 10 vacation days up front.
 - Program participants would not be eligible for professional development days.
 - Program participants would not be eligible to receive incentives, unless 2141 (a function of No Child Left Behind [NCLB] that requires the equitable distribution of teachers) is instituted.
 - Program participants would be eligible to receive stipends for additional work; if applicable, WESD would pay 100 percent of the stipend amount to smartschoolsplus, inc.

- WESD would not pay for program participants' health insurance.
- A position filled by a phased retirement program participant would be opened the following year for possible reduction or vacancy.
- At the conclusion of the phased retirement program year, a participant could submit a WESD employment application in order to be considered for vacant positions in the District.
 - The individual would follow the same procedure as any other external applicant.
 - If rehired by the District, the individual's salary placement and benefits would be determined according to procedures applicable to new hires.

Recommendation:

The 2010-2011 IBN Team recommends that the Governing Board authorize WESD to pursue a contract with smartschoolsplus, inc. for the 2011-2012 school year in accordance with the guidelines set forth in the straw design, above.

Attached, for your reference, are the following documents:

- Handout of PowerPoint presented to IBN Team by Sandee McClelland, smartschoolsplus, inc. (*Attachment A*)
- Copy of HB 2027 (*Attachment B*)

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board X Action
 X Discussion
FROM: Dr. Susan J. Cook, Superintendent Information
 1st Reading
DATE: April 12, 2012
AGENDA ITEM: Work Furlough

INITIATED BY: Cathy Thompson, Director or Business Services SUBMITTED BY: Dr. Susan J. Cook, Superintendent
PRESENTER AT GOVERNING BOARD MEETING: Dr. Susan J. Cook, Superintendent
GOVERNING BOARD POLICY REFERENCE OR STATUTORY CITATION: BBA

SUPPORTING DATA

Funding Source: Various
Budgeted: Yes

On April 28, 2011, IBN offered a series of recommendations to the Governing Board regarding the budget for 2011-2012, including scheduling of up to four work furlough days for employees, if necessary. Upon the completion of the budget for fiscal year 2011-2012, it was determined that there was a need for only two furlough days to be taken. The two furlough days were scheduled for December 23, 2011 and May 28, 2012 (Memorial Day).

The District did implement a work furlough day on December 23, 2011. Employees did not work and were not paid for this day. There is a need to consider each day separately and account for the current budget conditions at the appropriate time when recommendations are being offered.

At this time, considering the budget savings realized to date, we believe that it is fiscally responsible to recommend that May 28, 2012 be designated as a regular, paid holiday for employees. In these difficult economic times, we believe that every effort must be exhausted to preserve jobs and support our employees to the extent possible.

SUMMARY AND RECOMMENDATION

It is recommended that the Governing Board designate May 28, 2012 as a regular, paid holiday.

Superintendent _____

Board Action	Motion	Second	Ave	Nay	Abstain
Adams					
Graziano					
Jahneke					
Lambert					
Maza					