

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board X Action

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

DATE: April 26, 2012 Information

AGENDA ITEM: Interest-Based Negotiations (IBN) Team’s Recommendations for 2012-2013 1st Reading

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 2011-2012 IBN Team was considered in light of the following Governing Board interests:

- Attract and maintain a stable workforce through working conditions.
- Maintain local control in decision making.
- Promote positive community relations through the budget process.
- Enhance the integrity of programming, instructional delivery and parity, focusing on student growth.
- Balance the budget.
- Optimize all funding sources.
- If additional funding is made available from state and/or federal sources, restoration of previous cuts will be considered.
- Maintain or decrease class size
- Provide an increase in salaries, if possible, for all employee groups.

SUMMARY AND RECOMMENDATION

See pages 2-3.

Superintendent _____

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

Interest-Based Negotiations (IBN) Team's Recommendations for 2012-2013

April 26, 2012

Page 2

The following are among the issues that the IBN Team addressed this year. Some of the issues resulted in Governing Board recommendations; some of the issues were referred to other working committees.

- Employee phased retirement program (*recommendation presented to and approved by the Governing Board on February 9, 2012*)
- Return-to-work employees (*Governing Board recommendation included*)
- Minimum increment required for use of vacation (*no IBN Governing Board recommendation required*)
- Staffing of night custodians (*Governing Board recommendation included*)
- Distribution of \$2.3 million federal funding source to employees as one-time money (*Governing Board recommendation included*)
- Allocation of funds if additional K-12 funding is approved by the legislature (*Governing Board recommendation included*)
- Substitute teacher budget and process at school level (*Governing Board recommendation included*)
- Lunch monitor coverage (*no IBN Governing Board recommendation*)
- Letters of intent for classified staff (*no IBN Governing Board recommendation*)
- Data points for staffing projections (*no IBN Governing Board recommendation*)
- Program coaches – extra pay for extra work (*no IBN Governing Board recommendation*)
- IBN Working Conditions Survey (*no IBN Governing Board recommendation*)
- One-time, per diem stipend/signing bonus to be distributed at end of the 2011-2012 school year (*Governing Board recommendation included*)
- Certified reduction in force review (*no IBN Governing Board recommendation required*)
- Consideration of reconfiguring the instructional day at the middle schools (*no IBN Governing Board recommendation*)
- Revised calendars for bus drivers and nutrition services employees (*no IBN Governing Board recommendation*)
- Grading days for teachers (*no IBN Governing Board recommendation*)

SUMMARY AND RECOMMENDATION

It is recommended that the Governing Board approve the following:

1. It is recommended that no changes be made for 2012-2013 with regard to current or new return-to-work employees, including both those who are hired to fill regular positions and those who are hired as substitute teachers, with the District absorbing the associated alternate contribution rate costs.
2. It is recommended that a 1.0 FTE roving custodian position be added for the 2012-2013 school year to provide coverage for absences and vacancies. It is further recommended that 12 night custodian positions be converted to 1.0 FTE for the 2012-2013 school year (these positions were previously .5; two schools were staffed by one person). It is further recommended that 17 night custodian positions be converted from 12-month (260 days) to 9-month (199 days) positions for the 2012-2013 school year. It is further recommended that the additional 0.5 FTE night custodian positions that had been allocated to Sunnyslope and to Lookout Mountain for the 2011-2012 school year be eliminated for the 2012-2013 school year.

Interest-Based Negotiations (IBN) Team's Recommendations for 2012-2013

April 26, 2012

Page 3

3. It is recommended that a one-time, lump sum payment of \$400 be distributed to each 1.0 FTE employee (and prorated based on FTE for less than full-time employees) hired between 7/1/2011 and 3/1/2012, and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. It is further recommended that a one-time, lump sum payment of \$608 be distributed to each 1.0 FTE employee (and prorated based on FTE for less than full-time employees) hired during the 2010-2011 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. It is further recommended that a one-time, lump sum payment of \$816 be distributed to each 1.0 FTE employee (and prorated based on FTE for less than full-time employees) hired during the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. It is further recommended that a one-time, lump sum payment of \$1024 be distributed to each 1.0 FTE employee (and prorated based on FTE for less than full-time employees) hired prior to the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. It is further recommended that designated funds be paid in full to eligible employees with their August 24, 2012 paycheck and that they be based on the employee's FTE as of March 26, 2012.
4. It is recommended that if additional K-12 funding is approved by the legislature for 2012-2013, and the total additional funding is less than \$1.3 million, then the following actions be taken, in the order listed:
 - Address speech pathologist salary anomaly.
 - Address occupational therapist and physical therapist salary anomalies.
 - Restore stipends up to the amount they have been reduced due to budget reductions during recent years, with the percentage increase of stipends to depend on available funding.It is further recommended that if additional K-12 funding is approved by the legislature for 2012-2013, and the total additional funding is greater than or equal to \$1.3 million, then the following actions be taken, in the order listed:
 - Address speech pathologist salary anomaly.
 - Address occupational therapist and physical therapist salary anomalies.
 - Provide compensation as one-time money in 2012-2013, in addition to and in accordance with the recommendation for distributing funds in Recommendation #3, above, with appropriate "if...then" language included in employee contracts.
5. It is recommended that the substitute teacher budget/process straw design outlined under Issue G be approved for the 2012-2013 school year.
6. It is recommended that a one-time stipend, equal to the employee's daily rate as of March 26, 2012, be paid to each classified employee at the end of his or her 2011-2012 work year. It is further recommended that a one-time signing bonus, equal to the employee's daily rate as of March 26, 2012, be paid to each certified employee and administrator who returns his or her signed 2012-2013 contract within 10 days of issuance.

Interest-Based Negotiations Recommendations for 2012-2013

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 growth the ultimate goal.

Involved Stakeholders:

The 2011-2012 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, 17 are voting members, and the remaining 7 are non-voting, resource persons. Please refer to *Attachment A* for a list of 2011-2012 IBN members.

After two days of training during January 2012, IBN Team members participated in four scheduled, full-day meetings between February 2, 2012 and April 9, 2012. IBN also met as a full group for a follow-up meeting after school on April 18, 2012. Members of IBN's subcommittees met on several 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:

- Revising, implementing and analyzing results (*Attachment B*) of a District-wide employee working conditions survey
- Tracking legislative activity at the state level
- Receiving frequent WESD financial status updates from Director of Business Services Cathy Thompson
- Reviewing relevant WESD policies/regulations

Options – 2012-2013 SCHOOL YEAR

The *issues* that were addressed by the 2011-2012 IBN Team, as well as 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 A: EMPLOYEE PHASED RETIREMENT PROGRAM

• Description

On February 10, 2011, the Governing Board authorized WESD to pursue a one-year employee phased retirement program by contracting with *smartschoolsplus, inc.* for the 2011-2012 school year. This year's IBN Team addressed the possibility of recommending that a phased retirement option be offered for the 2012-2013 school year.

• Options

IBN members brainstormed the options listed below.

- Option #1: Move forward with a one-year employee phased retirement program through *smartschoolsplus, inc.*, with the same provisions as the current year program.
- Option #2: Move forward with a one-year employee phased retirement program through *smartschoolsplus, inc.*, similar to the current year program but with added conditions, e.g., do not allow classified participants to work overtime; do not allow participants to earn stipends for coaching/teaching/sponsoring extracurricular activities.
- Option #3: Do not offer an employee phased retirement program for the 2012-2013 school year.
- Option #4: Offer a phased retirement program through a third-party group other than *smartschoolsplus, inc.*
- Option #5: Reduce pay to phased retirement participants and/or to *smartschoolsplus, inc.* as a means of absorbing all or part of the alternate contribution rate (ACR) costs.
 - Reduce pay to *smartschoolsplus, inc.* by 9% versus current year program (from 91% of participant's base salary during final year of WESD employment to 82%).
 - Reduce participant's pay to 73% of base salary during final year of WESD employment (from 80% in 2011-2012).
 - Reduce participant's pay to 72.3%, and reduce pay to *smartschoolsplus, inc.* by 1%.
 - Reduce participant's pay to 75%, with WESD absorbing the remainder of the ACR cost.

• Evaluating Options

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

- Timelines; process for future years
- Legal/legislative mandates
- Affordability
- Consideration of long-term impact; precedent setting; assumptions being made
- Alignment with District values

• Recommendation

On February 9, 2012, the Governing Board approved IBN's phased retirement program recommendation, the parameters of which are indicated below:

- The program will remain in effect for one year only (2012-2013).
- The program is intended for eligible employees who wish to work for WESD for only one more year.
- At the end of 2012-2013, 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 classified employees, certified employees and administrators; the Superintendent would not be eligible to participate, per District Regulation GCQE-R.
- There would be only one entry date into the program (July 1) for eligible participants.
- 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 75 percent of the base salary earned during his or her final year of employment with WESD.
- WESD will pay *smartschoolsplus, inc.* 86 percent 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 will be granted all general leave time up front.
 - 12-month employees will receive 12 days of general leave.
 - Employees who work fewer than 12 months per year will receive 10 days of general leave.
- Program participants who are 12-month employees will be granted 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 [NCLB] 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
 - IBN Team
 - Planning and Steering Council
 - Facilities Council
- Program participants will be allowed to serve on
 - a curriculum related committee, if the committee's work impacts the participant's current year students
 - a committee, including Site Council, only if doing so is a requirement of the participant's position; determination of said requirement is to be overseen by the principal or Superintendent or designee.
- Program participants are not to be paid for any days for which regular District employees are not compensated, i.e., furlough days.

ISSUE B: RETURN-TO-WORK EMPLOYEES

• Description

During the current school year, approximately 80 full-time equivalent WESD staff members are return-to-work employees, i.e., they retired and are collecting a pension through the Arizona State Retirement

System (ASRS), and they have been rehired by the District. Many are special education, math, science or music teachers, speech therapists or substitute teachers – positions that are typically difficult to fill. Currently, the return-to-work employee does not contribute to ASRS nor does the District contribute on his or her behalf; however, legislation that was passed by the Arizona Legislature last year requires that, effective July 1, 2012, WESD and other ASRS employers pay an alternate contribution rate (ACR) “on behalf of a retired [ASRS] member who returns to work in any capacity in a position ordinarily filled by an employee of the employer.” The anticipated ACR for 2012-2013 is 8.64%.

To date, the cost of employing a return-to-work employee has often been less than that of a *non*-return-to-work employee. The savings is likely to decrease significantly, however, with implementation of the alternate contribution rate. With that in mind, IBN Team members considered if changes should be recommended regarding the District’s employment of return-to-work employees effective with the 2012-2013 school year.

- **Options**

IBN members brainstormed the options listed below.

- Option #1: Have both current and new return-to-work employees absorb part of the ACR cost by reducing their salaries by 5%; however, maintain the current return-to-work substitute teacher rate of pay.
- Option #2: Have new return-to-work employees absorb part of the ACR cost by reducing their salaries by 5%, but do not reduce the salaries of current return-to-work employees; maintain the current return-to-work substitute teacher rate of pay.
- Option #3: Continue to offer medical insurance benefits to current, eligible return-to-work employees, but do not offer medical insurance benefits to new return-to-work employees.
- Option #4: Offer medical insurance benefits to eligible return-to-work employees, both current and new; however, require that they pay a portion of their insurance premium.
- Option #5: Maintain the current return-to-work substitute teacher rate of pay, but do not allow regular positions to be filled by return-to-work employees.
- Option #6: Maintain the status quo, i.e., make no changes with regard to current or new return-to-work employees, including both those who are hired to fill regular positions and those who are hired as substitute teachers; WESD will absorb the ACR costs.

- **Evaluating Options**

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

- Fiscal responsibility/affordability/sustainability
- Legal mandates
- Filling positions with highly qualified, highly effective personnel
- Ensuring there is no negative impact on students
- Paying employees fair market value regardless of their retirement status
- Employee morale/taking care of all employees

- **Recommendation**

IBN is recommending Option #6, making no changes with regard to current or new return-to-work employees, including both those who are hired to fill regular positions and those who are hired as substitute teachers, with the District absorbing the alternate contribution rate costs.

ISSUE C: MINIMUM INCREMENT REQUIRED FOR USE OF VACATION

- **Description**

Currently, 12-month employees who are eligible to earn vacation must use their vacation in increments of at least 4 consecutive hours. IBN Team members considered the feasibility of reducing the minimum increment required for use of vacation leave.

- **Options**

The following options were considered by IBN members.

- Option #1: Maintain the status quo, i.e., continue requiring vacation eligible employees to use vacation in minimum 4-hour increments.
- Option #2: Set minimum vacation use increment at 2 hours, effective April 27, 2012.
- Option #3: Set minimum vacation use increment at 1 hour, effective April 27, 2012.

- **Evaluating Options**

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

- Fairness
- Flexibility
- Accountability
- Productivity

- **Recommendation**

IBN approved Option #3, i.e., that employees be required to use a minimum of 1 hour when using vacation time, effective April 27, 2012. A draft of District Regulation GCD-R/GDD-R, which has been amended to reflect the change, is included as *Attachment C*. No Governing Board recommendation is required.

ISSUE D: STAFFING OF NIGHT CUSTODIANS

- **Description**

One of the budget reductions that last year's IBN Team recommended involved reorganizing night custodial staff and revising the manner in which custodial substitutes were to be hired and assigned. In addition to accounting for projected M&O savings of \$150,000 for 2011-2012, IBN anticipated that the changes would positively impact campus safety and security, and result in more efficient and effective use of custodial personnel. Upon approval and implementation of the recommendation, however, several concerns became apparent.

In many instances, a night custodian who had previously been assigned to a single school for eight hours per day was now assigned four hours per day at each of two schools. Unrealistically, some facility managers, principals and other staff members have expected the night custodian to perform eight hours worth of work during his or her four-hour shift at the school. A number of sites have reported that cleanliness standards are not being met. Additionally, the logistics of assigning a night custodian to two supervisors at different locations has been far more complicated than anticipated. Only one supervisor is able to access the employee's Kronos (electronic timekeeping system) records. Frequently, an employee notifies just one supervisor, rather than both, when he or she is going to be absent. Even the time required to travel from one school to the other has been greater than expected. Morale among night custodians has declined, while absences and workers' compensation claims have escalated.

IBN considered possible means of rectifying the problems that have resulted from the night custodial staffing reorganization.

- **Options**

The following options were considered by IBN members.

- Option #1: Maintain the status quo, i.e., the night custodial staffing reorganization that was implemented at the beginning of the current school year.
- Option #2: Reestablish the night custodial staffing plan that was in effect prior to the current school year. The cost of this option would be \$167,000, the actual M&O savings that was realized through the reorganization.
- Option #3: Maintain the current night custodial staffing plan, but adjust day custodians' work hours.
- Option #4: Have other school staff members perform some cleaning tasks, such as placing trash containers in the hallway, picking up chairs, etc.
- Option #5: Have all night custodians work full-time (eight hours per day), but have some work a 10.5-month calendar or a 9-month calendar, rather than a 12-month calendar.
- Option #6: Add a roving night custodial specialist to help cover absences.
- Option #7: For schools that experienced a reduction of night custodial hours as a result of the reorganization, increase the night custodian allocation by two hours per day. The cost of this option would be \$91,000.
- Option #8: Communicate expectations regarding the night custodial staffing reorganization to all staff.

- **Evaluating Options**

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

- Recruitment
- Retention
- Employee accountability
- Fiscal accountability
- Safe schools for students
- Healthy environment for students
- Attractive schools

- **Recommendation**

IBN is recommending a combination of options (straw design) that involves the following components:

- Add 1.0 FTE roving custodian to provide coverage for absences and vacancies.
- Convert 12 night custodian positions to 1.0 FTE (eight hours per day).
- Convert 17 of the night custodian positions from 12-month (260 days) to 9-month (199 days) positions.
 - All other night custodian positions would remain 12-month positions.
 - Every school would have at least one 12-month night custodian assisting the day crew during the summer, with the remaining 12-month night custodians working on the summer cleaning crew.
 - In light of reduced summer custodial staff, summer cleaning expectations would be adjusted accordingly.
- Eliminate the additional 0.5 FTE (4 hours per day) night custodian positions that were allocated to Sunnyslope and to Lookout Mountain for the current school year.

- Implement the recommended changes effective July 1, 2012; however, through attrition, begin immediately to hire the 17 night custodians who will fill 9-month positions.
- Communicate expectations regarding the night custodial staffing reorganizational to all staff.

ISSUE E: DISTRIBUTION OF \$2.3 MILLION FEDERAL FUNDING SOURCE TO EMPLOYEES AS ONE-TIME MONEY

• Description

For 2012-2013, the District will have \$2.3 million in federal Medicaid funds that can be distributed to employees as one-time money. IBN Team members proposed and discussed a variety of distribution options.

• Options

The following options were considered by IBN members.

- Option #1: Distribute a one-time, lump sum payment of \$910 to each 1.0 FTE employee hired before January 1, 2012 and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. For less than full-time employees, prorate the lump sum based on FTE.
- Option #2: Distribute a one-time, lump sum payment equivalent to 2.46% of the employee's salary for employees hired before January 1, 2012 and still employed by WESD in a regular position as of the first day of the 2012-2013 school year.
- Option #3: Distribute a one-time, lump sum payment equivalent to 2.53% of the employee's salary, based on a maximum 1.0 FTE salary of \$60,000, for employees hired before January 1, 2012 and still employed by WESD in a regular position as of the first day of the 2012-2013 school year.
- Option #4: Distribute a one-time, lump sum payment of \$400 to each 1.0 FTE employee hired between July 1, 2011 and March 1, 2012, and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. For less than full-time employees, prorate the lump sum based on FTE. Additionally, distribute a one-time, lump sum payment of \$968 to each 1.0 FTE employee hired before 6/30/2011 and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. For less than full-time employees, prorate the lump sum based on FTE.
- Option #5: Similar to Option #1, but distribute half of the lump sum payment (\$405 per 1.0 FTE employee) in 2012-2013 and the other half of the lump sum payment in 2013-2014.
- Option #6: Save the money for the 2013-2014 school year.
- Option #7(a): Distribute a one-time, lump sum payment to employees according to a tiered payment matrix that is based on length of employment, as it correlates to WESD salary freeze experience.
 - Distribute a one-time, lump sum payment of \$400 to each 1.0 FTE employee hired between 7/1/2011 and 3/1/2012, and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. For less than full-time employees, prorate the lump sum based on FTE.
 - Distribute a one-time, lump sum payment of \$608 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. For less than full-time employees, prorate the lump sum based on FTE.

- Distribute a one-time, lump sum payment of \$816 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. For less than full-time employees, prorate the lump sum based on FTE.
 - Distribute a one-time, lump sum payment of \$1024 to each 1.0 FTE employee hired prior to the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. For less than full-time employees, prorate the lump sum based on FTE.
- Option #7(b): Distribute a one-time, lump sum payment, based on a percentage of salary, to employees according to a tiered payment matrix that is based on length of employment, as it correlates to WESD salary freeze experience.
 - Distribute a one-time, lump sum payment equivalent to 1.5% of the employee's salary for employees hired between July 1, 2011 and 3/1/2012, and still employed by WESD in a regular position as of the first day of the 2012-2013 school year.
 - Distribute a one-time, lump sum payment equivalent to 1.9% of the employee's salary for employees hired during the 2010-2011 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year.
 - Distribute a one-time, lump sum payment equivalent to 2.3% of the employee's salary for employees hired during the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year.
 - Distribute a one-time, lump sum payment equivalent to 2.7% of the employee's salary for employees hired prior to the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year.
- Option #8(a): To each 1.0 FTE employee hired before January 1, 2012 and still employed by WESD in a regular position as of the first day of the 2012-2013 school year, distribute a one-time, lump sum payment of \$550, to be prorated based on FTE, plus a one-time, lump sum payment equivalent to 1% of the employee's salary.
- Option #8(b): Distribute a designated one-time, lump sum payment, plus a one-time, lump sum payment based on a percentage of salary, to employees according to a tiered payment matrix that is based on length of employment, as it correlates to WESD salary freeze experience.
 - To each 1.0 FTE employee hired between July 1, 2011 and 3/1/2012, and still employed by WESD in a regular position as of the first day of the 2012-2013 school year, distribute a one-time, lump sum payment of \$300, to be prorated based on FTE, plus a one-time, lump sum payment equivalent to 0.5% of the employee's salary.
 - To each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year, distribute a one-time, lump sum payment of \$382, to be prorated based on FTE, plus a one-time, lump sum payment equivalent to 0.75% of the employee's salary.
 - To each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year, distribute a one-time, lump sum payment of \$464, to be prorated based on FTE, plus a one-time, lump sum payment equivalent to 1% of the employee's salary.
 - To each 1.0 FTE employee hired prior to the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year, distribute a one-time, lump sum payment of \$546, to be prorated based on FTE, plus a one-time, lump sum payment equivalent to 1.25% of the employee's salary.
 -

- **Evaluating Options**

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

- Retain new employees
- Retain longer-term employees
- Equity and fairness
- Improved morale
- In alignment with one of the Governing Board's interests, provide an increase to all employee groups
- Fiscal responsibility
- Autonomy

- **Recommendation**

IBN is recommending that funds be distributed according to the parameters outlined in Option #7(a), to be paid in full to eligible employees with their August 24, 2012 paycheck and based on the employee's FTE as of March 26, 2012.

ISSUE F: ALLOCATION OF FUNDS IF ADDITIONAL K-12 FUNDING IS APPROVED BY THE LEGISLATURE

- **Description**

IBN is charged with developing prioritized recommendations for the allocation of additional funds, in the event that the Arizona Legislature approves increased budget capacity for K-12 public education for 2012-2013.

- **Options**

IBN members brainstormed the following options, which are *not* listed in priority order:

- Option #1: Salary/compensation increase for all employees
 - Option #1(a): Provide compensation as one-time money in 2012-2013, in addition to and in accordance with the recommendation for distributing funds in ***ISSUE E***, above.
 - Option #1(b): Carry over available funds, and provide compensation as one-time money in 2013-2014, based on the recommended distribution parameters outlined in ***ISSUE E***, above.
 - Option #1(c): Provide compensation as an ongoing salary increase.
- Option #2: Increase substitute teacher budget
- Option #3: Restore stipends
- Option #4: Decrease class size
- Option #5: Address speech pathologist salary anomaly (***Attachment D***)
- Option #6: Address occupational therapist and physical therapist salary anomalies (***Attachment E***)
- Option #7: Add a paid day during Winter Break for less than 12-month classified employees
- Option #8: Provide more teacher planning time

- **Evaluating Options**

The brainstormed options were evaluated in light of Governing Board interests, plus the following additional interests that IBN identified:

- Clear communication

- Need to honor priorities
- IBN as effective planners
- **Recommendation**
 - *If total additional funding is less than \$1.3 million*, IBN recommends the following actions, listed in priority order:
 - Option #5: Address speech pathologist salary anomaly
 - Option #6: Address occupational therapist and physical therapist salary anomalies
 - Option #3: Restore stipends up to the amount they have been reduced (25%) due to budget reductions during recent years; percentage increase of stipends to depend on available funding
 - *If total additional funding is greater than or equal to \$1.3 million*, IBN recommends the following actions, listed in priority order:
 - Option #5: Address speech pathologist salary anomaly
 - Option #6: Address occupational therapist and physical therapist salary anomalies
 - Option #1(a): Provide compensation as one-time money in 2012-2013, in addition to and in accordance with the recommendation for distributing funds in **ISSUE E**, above. Include appropriate “if...then” language in employee contracts.

ISSUE G: SUBSTITUTE TEACHER BUDGET AND PROCESS AT SCHOOL LEVEL

● **Description**

Every year, beginning in 2009-2010, each school has been allocated a substitute teacher budget. Additionally, each school has developed a substitute plan that outlines actions that school personnel will take if substitute teachers are unavailable or if the school’s substitute budget allocation has been exhausted. Concerns regarding the diverse manner in which schools administer their substitute teacher budget and plan had been brought to the attention of IBN representatives. An informal survey of principals confirmed the variety of site-based plans that exist.

Subsequently, District principals met with their Washington Principals’ Association (WPA) regional representatives to discuss options for a class coverage plan to be implemented when a teacher is absent for a full day but no substitute teacher is available. WPA representatives then developed a proposal that was presented to IBN Team members, all of whom supported the recommendation.

● **Options/Evaluating Options**

Based on the criteria listed below, a straw design (combination of options) was developed.

- Morale
- Equity between sites
- School autonomy
- Budget compliance
- What is best for students

The straw design includes the following components:

- Annually, each school will develop a comprehensive site substitute teacher plan that addresses class coverage procedure options, substitute budget options and class coverage reimbursement options.
 - Each site must include one or more of the following class coverage procedure options in its substitute teacher plan:
 - Coverage by non-classroom teachers
 - Coverage based on a rotation of classroom teachers
 - Coverage by splitting classes
 - Other coverage plan option defined by the site
 - Each site must include one of the following budget plan options in its substitute teacher plan:
 - Utilization of the substitute budget until it is depleted (no conditions)
 - Allocation of a predetermined number of substitute days per teacher
 - Allocation of a predetermined number of substitute days per month for the site
 - Other budget plan option defined by the site
 - The class coverage reimbursement portion of each site's plan must include the caveat that when the school's substitute budget has been exhausted, teachers will not be reimbursed for covering classes. Additionally, each site must include one of the following class coverage reimbursement options in its substitute teacher plan:
 - If the school has substitute budget capacity, reimburse teachers for providing class coverage.
 - Even if the school has substitute budget capacity, do not reimburse teachers for providing class coverage.
 - Other reimbursement plan option defined by the site
- In order for a school's plan to be enacted, it must be approved by at least 75% of staff members.
- A copy of each school's approved plan, including evidence of staff approval, must be submitted to Assistant Superintendent for Administrative Services Dr. Lyn Bailey.

- **Recommendation**

IBN is recommending the substitute teacher budget/process straw design outlined above.

ISSUE H: LUNCH MONITOR COVERAGE

- **Description**

A concern was brought to the attention of IBN representatives regarding inadequate lunch monitor coverage at some schools. Coverage needs seem to vary depending on a school's size, the configuration of its playgrounds and the location of its playgrounds relative to the cafeteria. To allay concerns about student safety, a number of principals reported using other positions to provide monitor coverage in the cafeteria.

In response to the lunch monitor concern, Director of Human Resources Justin Wing shared related staffing history with IBN members. Several years ago, when the District transitioned to a parity staffing model, schools were granted an allocation that they could choose to use as they wished for instructional assistants, cafeteria monitors and/or playground monitors. The allocation for elementary schools was 12

hours per day; for middle schools, it was 8 hours per day and for K-8 schools, it was 16 hours per day. Evidently, many schools opted to use the allocated hours to hire instructional assistants since the rate of pay is higher for that position than for monitors.

- **Options**

The following options were considered by IBN members.

- Option #1: Allocate an equal amount of additional cafeteria monitor time to each school. (If each school received an additional hour per day, the total cost would be approximately \$4,200.)
- Option #2: Allocate additional cafeteria monitor time to each school, with the amount based on the school's need.
- Option #3: Based on need, reallocate some of a school's instructional assistant hours to cafeteria monitor time.
- Option #4: Have the Human Resources Department address cafeteria monitor concerns by
 - ensuring that each school received the correct combined instructional assistant/cafeteria monitor/playground monitor allocation at the time it was initially granted;
 - determining how each school is currently using their combined allocation;
 - reviewing concerns during the staffing process and responding to anomalies at that time.

- **Evaluating Options**

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

- Safety
- Logistics
- Ensuring that teachers receive a 30-minute, duty-free lunch
- Fiscal management and budget considerations
- Supporting an academic focus by avoiding inappropriate use of instructional assistants for cafeteria monitoring
- Liability issues

- **Recommendation**

IBN approved Option #4. No Governing Board recommendation is required. However, through the school staffing process, it was determined that one school (FTE) needed additional lunch monitor time to ensure the safe supervision of students.

ISSUE 1: LETTERS OF INTENT FOR CLASSIFIED STAFF

- **Description**

IBN members considered a request that classified employees be issued written notification at the end of the school year regarding their employment status for the upcoming school year.

- **Options**

IBN members brainstormed the following options:

- Option #1: Maintain the status quo, i.e., on a District-wide basis, do not issue written notification to classified employees at the end of the school year regarding their employment status for the upcoming school year.

- Option #2: Offer contracts to classified employees.
- Option #3: Issue an “official” letter of intent to each continuing classified employee, to be signed and returned to the Human Resources Department.
- Option #4: Issue an informational letter of intent to each continuing classified employee that includes the employee’s position(s), rate(s) of pay and calendar information.

• **Evaluating Options**

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

- Flexibility for classified employees
- Feeling valued/improved morale
- Workability
- Being competitive with regard to attracting and retaining quality employees
- Cost

• **Recommendation**

IBN approved Option #4 and developed a template, designated as *Attachment F*. IBN members agreed that upon completion of the District’s 2012-2013 budgeting/staffing process, the Human Resources Department will generate letters for continuing classified staff members at each school/location; letters will be forwarded to principals/supervisors, who will distribute them individually to employees. No Governing Board recommendation is required.

ISSUE J: DATA POINTS FOR STAFFING PROJECTIONS

• **Description**

The District uses current-year, 100th-day enrollment numbers to project certified staffing needs for the upcoming school year. Student cohort movement presumes that students will move from one grade level to the next each school year. The projected number of teachers required per grade level at each school is calculated by applying Governing Board-approved pupil teacher ratios to projected enrollment levels. Unfortunately, this system is not foolproof since unanticipated enrollment fluctuations do occur. Those instances are addressed through the leveling process each fall, whereupon additional teachers are allocated to reduce excessively high class sizes at grade levels throughout the District. At times, a teacher might be reassigned from a grade level/site that has significantly lower than projected enrollment to one that has significantly higher than projected enrollment. Should this occur, every effort is made to ease the transition and minimize disruption to students and staff; nevertheless, the situation is not ideal. IBN considered options that could be implemented to reduce discrepancies between projected and actual enrollment numbers. In the process, two related issues became apparent, i.e., kindergarten class sizes and class sizes that increase as a result of inclusion programs.

• **Options**

IBN members brainstormed the following options:

- Option #1: To the extent possible, test kindergarten and ELL students prior to the beginning of the school year.
- Option #2: As a leveling option, hire an instructional assistant when the maximum class size is reached.
- Option #3: Change the count day.
- Option #4: Use two count days and average the results.
- Option #5: Offer kindergarten registration at an earlier date.

- Option #6: Maintain the status quo with regard to staffing projections and consideration of leveling requests.
- Option #7: Use 100th day enrollment, in conjunction with trend analysis, as the basis for developing staffing projections.
- Option #8: Base staffing projections on 100th day enrollment; then review enrollment following Spring Break, and make adjustments, as appropriate, prior to issuing teacher contracts.
- Option #9: Reduce class size by 0.5 at all grade levels.
- Option #10: Reduce class size by 0.5 for grades 4-6.
- Option #11: Consider adjusting class size based on square footage of classrooms.
- Option #12: Consider multi-age classrooms.
- Option #13: Develop staffing projections by considering enrollment at multiple points during the school year, i.e., highest point, mean, median.
- Option #14: For center-based, self-contained special education programs (CCB and CCK), count each student as an additional 0.2 student in the appropriate regular education grade level; District-wide the cost of this option would be \$220,000.

- **Evaluating Options**

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

- Balancing the budget/fiscal responsibility
- Improved student growth
- Continuity for students
- Continuity for staffing and teachers
- Timeliness and efficiency of the staffing process
- Timeliness and fairness for teachers
- Creating capacity at schools that have center-based programs in which inclusion and mainstreaming are likely

- **Recommendation**

IBN approved Option #6, with the understanding that District administration will evaluate leveling needs related to inclusion programs. No Governing Board recommendation is required.

ISSUE K: PROGRAM COACHES – EXTRA PAY FOR EXTRA WORK

- **Description**

Program coaches play an integral and continually evolving role in WESD schools. They provide staff development, as well as instructional support and coaching at the school level; help to organize and facilitate PLC Wednesdays; support site-level implementation of District initiatives; analyze student achievement data; oversee ELL testing, AIMS testing and test security at the site. Program coaches afford support to and work closely with their school principal, not only during the school year, but during the summer as well. They participate in mandatory professional development training and planning in June, and they return to school up to two weeks before teachers return in August.

Although becoming a program coach is often perceived as a promotion for teachers, there is no corresponding salary increase; program coaches remain on the teacher salary schedule. (Funding for program coaches is derived mostly through federal funding, i.e., Title I, Title II and Title III; only a small percentage of the total cost is funded through M&O.) Many program coaches have an

administrative degree; however, that is not a requirement for the position. Some regard the position as a stepping stone to an assistant principal or principal position. We are not currently paying extra pay for extra work.

- **Options**

IBN members brainstormed the following options:

- Option #1: Maintain the status quo.
- Option #2: Increase the program coach stipend.
- Option #3: Develop a program coach salary schedule.
- Option #4: Have program coaches work a 227-day calendar rather than a 209-day calendar, and adjust their compensation accordingly.
- Option #5: Review the program coach job description and position requirements.

- **Evaluating Options**

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

- Fiscal responsibility
- Attracting and retaining well qualified people
- Compensating people for the responsibilities they hold
- Recognition that the program coach must be strong and have expertise in all areas
- Providing ongoing professional development
- Structuring program coaches' time within a set schedule and calendar
- Providing promotional opportunities
- Compliance with federal and state expectations and demands
- Caring for the mental and physical health of the principal
- Providing instructional consistency to promote student growth
- Supporting a "grow your own" principal development process in the District

- **Recommendation**

IBN reached consensus on Option #4, having program coaches work a 227-day calendar and adjusting their compensation accordingly. Team members also agreed that the issue of granting program coaches extra pay for extra work performed falls within the purview of the Human Resources Department. No Governing Board recommendation is required.

ISSUE L: IBN WORKING CONDITIONS SURVEY

- **Description**

Annually, beginning with the 2009-2010 school year, IBN has conducted a District-wide survey to solicit feedback regarding employee working conditions, e.g., workload, expectations, resources, opportunities for growth. Every regular employee is encouraged to take this anonymous, online survey, the results of which provide guidance to IBN.

- **Options/Evaluating Options**

IBN members discussed and agreed that some minor revisions be made to last year's survey before making it available for employees to complete. Their interests with regard to the survey include the following:

- Collaborative improvement; working together to be better

- Communicating with employees
- Validity of questions
- Creating a workplace environment where employees feel valued
- Increasing conversations between employees and their supervisors
- Providing a measurable picture of working conditions in the District
- Identifying changes in working conditions over time
- Giving accurate feedback

- **Recommendation**

Detailed results of the 2011-2012 IBN Working Conditions Survey are presented in *Attachment B*. Each school and department has been provided site-specific survey results that supervisors have been asked to share with staff following AIMS week. Based on the results, employees at each site will work together to identify the specific issues/themes they will address in order to improve their working conditions. Each site will develop a brief action plan in which they will outline their intended follow up. No Governing Board recommendation is required.

ISSUE M: ONE-TIME, PER DIEM STIPEND/SIGNING BONUS TO BE DISTRIBUTED AT END OF THE 2011-2012 SCHOOL YEAR

- **Description**

Pursuant to Arizona Laws 2011, Ch. 26, §4, beginning July 1, 2011, the Arizona State Retirement System (ASRS) contribution rate changed from its previous 50/50 split between the employee and the employer to a 53% employee share and a 47% employer share. The reduction from the employer contribution rate was to be transferred to the state general fund, and school district budgets were to be reduced by that amount. However, based on recent judicial and legislative outcomes related to ASRS, the District will no longer be faced with the previously mandated reduction of budget capacity, thereby freeing up funding to grant a one-time, per diem payment to employees at the end of the current school year.

There are no legal issues regarding the payment of a stipend to classified employees; however, this does not hold true for employees who are currently under contract, i.e., all certified employees and administrators. Nevertheless, it is legal to offer those employees a one-time, per diem payment as a signing bonus for having signed and returned their 2012-2013 contract within a designated period of time, which must be less than 15 working days from the date of issuance. IBN considered options regarding parameters for a signing bonus.

Options

IBN members considered the following options:

- Option #1: Require that the certified employee or administrator return his or her signed 2012-2013 contract within 10 working days of issuance in order to qualify for the one-time, per diem signing bonus; this offer would apply only to returning employees.
- Option #2: Require that the certified employee or administrator return his or her signed 2012-2013 contract within 5 working days of issuance in order to qualify for the one-time, per diem signing bonus; this offer would apply only to returning employees.

- **Evaluating Options**

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

- Giving employees enough time, but not too much time
- Employee retention
- Boosting employee morale
- For staffing purposes, the importance of determining which employees are returning
- Legal considerations
- “Use it or lose it”
- Facilitating District accounting

- **Recommendation**

IBN is recommending that a one-time stipend, equal to the employee’s daily rate as of March 26, 2012, be paid to each classified employee at the end of his or her 2011-2012 work year.

Additionally, IBN is recommending that a one-time signing bonus, equal to the employee’s daily rate as of March 26, 2012, be paid to each certified employee/administrator who returns his or her signed 2012-2013 contract within 10 days of issuance.

OTHER ISSUES

The following is a brief recap of other issues that were addressed by the 2011-2012 IBN Team, none of which generated a Governing Board recommendation.

- **Certified Reduction in Force (RIF) Review**

WESD Regulation GCQA-R, Professional Staff Reduction in Force, states that the reduction in force (RIF) “process shall be reviewed annually.” In accordance with GCQA-R, IBN members approved minor revisions to the RIF rubric, effective July 1, 2012, that align the rubric with proposed teacher evaluation process changes.

- **Consideration of Reconfiguring the Instructional Day at Middle Schools**

Some of the middle schools have developed innovative approaches to fulfill specific needs at their site. Implementation of these plans typically requires that adjustments be made to the school’s daily schedule; most frequently, a small amount of time is reduced from each period during the day in order to create a shortened, quasi seventh period at the end of the school day. This minor restructuring of time within the day does not involve additional staffing.

- **Revised Calendars for Bus Drivers and Nutrition Services Employees**

For years, bus drivers and nutrition services employees have been asked to work on unscheduled days in preparation for the new school year, and they have been paid stipends for doing so. Because the days were not part of their official work calendar, however, they could not be *required* to participate. IBN members approved expanding the bus drivers’ calendar by five days and the nutrition services employees’ calendar by four days in lieu of paying stipends for unscheduled work days.

- **Grading Days for Teachers**

It was suggested to IBN that an additional day on the teachers’ calendar be designated a grading day. This matter was referred to the WESD Calendar Committee, which is facilitated by Dr. Maggie Westhoff. Dr. Westhoff reported back to IBN the committee’s concern that increasing the number of teacher grading days from three to four could arouse negative public sentiment. Instead, their members suggested that schools could opt to use one of the site-based professional development days as a grading day.

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

The following are estimated costs for the recommendations listed under Section V, below:

- Recommendation #1:
 - Estimated cost of \$329,000, based on 2011-2012 return-to-work employees
- Recommendation #2:
 - Estimated savings of \$2,353
- Recommendation #3:
 - Estimated expenditure of \$2.3 million from federal Medicaid funds
- Recommendation #4:
 - Estimated cost of \$121,000 - \$165,000 to address speech pathologist salary anomaly
 - Estimated cost of \$0 - \$23,000 to address occupational therapist and physical therapist salary anomalies
 - Estimated cost of \$201,436 to restore all stipends to pre-budget reduction levels
 - Estimated cost of providing additional one-time, lump sum payment to employees will vary depending on available funding
- Recommendation #5:
 - Neither a cost nor a savings
- Recommendation #6:
 - Estimated cost of \$400,000

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

Employees received periodic communiqués (*Attachment G*) via e-mail during 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.

Recommendations:

1. It is recommended that no changes be made for 2012-2013 with regard to current or new return-to-work employees, including both those who are hired to fill regular positions and those who are hired as substitute teachers, with the District absorbing the associated alternate contribution rate costs.
2. It is recommended that a 1.0 FTE roving custodian position be added for the 2012-2013 school year to provide coverage for absences and vacancies. It is further recommended that 12 night custodian positions be converted to 1.0 FTE for the 2012-2013 school year (these positions were previously .5; two schools were staffed by one person). It is further recommended that 17 night custodian positions be converted from 12-month (260 days) to 9-month (199 days) positions for the 2012-2013 school year. It is further recommended that the additional 0.5 FTE night custodian positions that had been allocated to Sunnyslope and to Lookout Mountain for the 2011-2012 school year be eliminated for the 2012-2013 school year.

3. It is recommended that a one-time, lump sum payment of \$400 be distributed to each 1.0 FTE employee (and prorated based on FTE for less than full-time employees) hired between 7/1/2011 and 3/1/2012, and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. It is further recommended that a one-time, lump sum payment of \$608 be distributed to each 1.0 FTE employee (and prorated based on FTE for less than full-time employees) hired during the 2010-2011 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. It is further recommended that a one-time, lump sum payment of \$816 be distributed to each 1.0 FTE employee (and prorated based on FTE for less than full-time employees) hired during the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. It is further recommended that a one-time, lump sum payment of \$1024 be distributed to each 1.0 FTE employee (and prorated based on FTE for less than full-time employees) hired prior to the 2009-2010 school year and still employed by WESD in a regular position as of the first day of the 2012-2013 school year. It is further recommended that designated funds be paid in full to eligible employees with their August 24, 2012 paycheck and that they be based on the employee's FTE as of March 26, 2012.
4. It is recommended that if additional K-12 funding is approved by the legislature for 2012-2013, and the total additional funding is less than \$1.3 million, then the following actions be taken, in the order listed:
 - Address speech pathologist salary anomaly.
 - Address occupational therapist and physical therapist salary anomalies.
 - Restore stipends up to the amount they have been reduced due to budget reductions during recent years, with the percentage increase of stipends to depend on available funding.

It is further recommended that if additional K-12 funding is approved by the legislature for 2012-2013, and the total additional funding is greater than or equal to \$1.3 million, then the following actions be taken, in the order listed:

- Address speech pathologist salary anomaly.
 - Address occupational therapist and physical therapist salary anomalies.
 - Provide compensation as one-time money in 2012-2013, in addition to and in accordance with the recommendation for distributing funds in Recommendation #3, above, with appropriate "if...then" language included in employee contracts.
5. It is recommended that the substitute teacher budget/process straw design outlined under Issue G be approved for the 2012-2013 school year.
 6. It is recommended that a one-time stipend, equal to the employee's daily rate as of March 26, 2012, be paid to each classified employee at the end of his or her 2011-2012 work year. It is further recommended that a one-time signing bonus, equal to the employee's daily rate as of March 26, 2012, be paid to each certified employee and administrator who returns his or her signed 2012-2013 contract within 10 days of issuance.

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board X Action

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

DATE: February 9, 2012 _____ 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: Sue Snyder, Director of Organizational Development

GOVERNING BOARD POLICY REFERENCE OR STATUTORY CITATION: BBA; ARS §15-502; SB 1609 (Laws 2011, Chapter 357)

SUPPORTING DATA

Funding Source: Various
Budgeted: Yes

Phased retirement programs offer benefits to both participants and employers. Participants are afforded additional time to accumulate retirement savings. Employers realize cost savings while retaining experienced employees and the institutional knowledge they represent.

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 a phased retirement/employee leaseback program through smartschoolsplus, inc. Phased retirement was reinstated for 2011-2012 as a one-year program that included stipulations and conditions that had not previously been addressed. Of current concern is whether phased retirement should be reauthorized for the upcoming school year.

As a result of legislation that was signed into law by Governor Brewer in April 2011, beginning on July 1, 2012, Arizona State Retirement System (ASRS) employers who employ retired ASRS members, either as direct employees, leased employees or contractual employees, must pay ASRS an alternate contribution rate (ACR), which is anticipated to be 8.64% for 2012-2013.

SUMMARY AND RECOMMENDATION

It is recommended that the Governing Board authorize WESD to pursue a contract with smartschoolsplus, inc. for the 2012-2013 school year in accordance with the guidelines set forth in the Interest-Based Negotiations Team’s proposal.

Superintendent _____

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

Employee Phased Retirement Program

Page 2

February 9, 2012

With this stipulation in mind, the District's 2011-2012 Interest-Based Negotiations Team applied interest-based strategies to develop a recommendation regarding the reauthorization of an employee phased retirement program for the 2012-2013 school year. Process details are attached.

Employee Phased Retirement Program

Issue:

On February 10, 2011, in response to a recommendation developed by the 2010-2011 Interest-Based Negotiations (IBN) Team, the Governing Board authorized WESD to pursue a one-year employee phased retirement program by contracting with smartschoolsplus, inc. for the 2011-2012 school year. Currently, as 2012-2013 staffing and budget projections are being addressed, the possibility of offering a phased retirement option for the upcoming school year is again being considered.

Involved Stakeholders:

WESD's 2011-2012 IBN Team applied interest-based strategies to examine the phased retirement program issue and to reach a consensus recommendation for presentation to the Governing Board. 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, 17 are voting members; the remaining 7 serve in a non-voting, resource capacity. IBN Team members discussed the phased retirement issue during their meeting on January 25, 2012.

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:
 - Phased retirement was offered as a one-year option to eligible WESD employees for the 2011-2012 school year.
 - From 2004-2005 through 2008-2009, phased retirement through smartschoolsplus, inc. was offered on an ongoing basis; many WESD participants remained in the program during the full five-year period.
 - WESD did not offer an employee phased retirement program during the 2009-2010 and 2010-2011 school years.
 - Phased retirement/employee leaseback provides eligible participants a bridge to retirement and allows them to bypass Arizona State Retirement System's (ASRS) 20/20 rule.
 - WESD does not offer health insurance benefits to phased retirement program participants.
 - The phased retirement program is a cost savings opportunity for the District.
 - During the current school year, 32.875 FTE (33 to 34 people) participate in the phased retirement program, which is costing WESD \$670,000 less than if all had remained District employees for the year.
 - A provision of the current phased retirement program is that at the end of 2011-2012, positions held by program participants will be opened as vacancies or, if necessary, considered for possible budget reductions; as a result, the likelihood of instituting a reduction in force is diminished.
 - Current smartschoolsplus, inc. participants may reapply to WESD to be considered for posted vacancies, in which case external application, selection, salary placement and benefits procedures would apply.
 - The Human Resources Department has received inquiries from employees regarding the possible implementation of a phased retirement program for 2012-2013.

- The Superintendent cannot participate in District phased retirement programs; however, all other WESD certified, classified and administrator employees may participate if they meet all eligibility requirements.
 - A provision of Senate Bill 1609 – Retirement systems; plans; plan design (Laws 2011, Chapter 357) is the implementation, effective 7/1/2012, of an ASRS alternate contribution rate (ACR) for retired ASRS members who return to employment as an employee of an ASRS employer, either as a direct employee, leased employee or contractual employee. The ACR, to be paid by the employer, is to be calculated based on the amount needed to amortize ASRS’s unfunded liability; for 2012-2013, the ACR is anticipated to be 8.64%.
 - WESD budgets for positions, not for people. The budgeted cost of a given position is based on the average salary for the position, plus the cost of benefits, including the ASRS contribution. Therefore, the ACR would not affect WESD’s budget; however, it would impact expenditures, thereby reducing savings to be realized through the phased retirement program.
- **Interests:** *the concerns, needs or desires underlying an issue.* IBN members discussed the following interests with respect to the issue of phased retirement:
 - Reducing the likelihood of a reduction in force
 - Valuing employees; providing opportunities for employees
 - Saving money without reducing employees
 - Providing clear expectations and predictability
 - Retaining high quality employees
- **Criteria:** *the look fors, standards or set of factors according to which options are evaluated.* IBN members developed the following list of criteria:
 - Timelines; process for future years
 - Legal/legislative mandates
 - Affordability
 - Consideration of long-term impact; precedent setting; assumptions being made
 - Alignment with District values
- **Options:** *ways of addressing interests, stated as potential solutions.* IBN members brainstormed the following options:
 - Move forward with a one-year employee phased retirement program through smartschoolsplus, inc., with the same provisions as the current year program.
 - Move forward with a one-year employee phased retirement program through smartschoolsplus, inc., similar to the current year program but with added conditions, e.g., do not allow classified participants to work overtime; do not allow participants to earn stipends for coaching/teaching/sponsoring extracurricular activities.
 - Do not offer an employee phased retirement program for the 2012-2013 school year.
 - Offer a phased retirement program through a third-party group other than smartschoolsplus, inc.
 - Reduce pay to phased retirement participants and/or to smartschoolsplus, inc. as a means of absorbing all or part of the ACR costs
 - Reduce pay to smartschoolsplus, inc. by 9% versus current year program (from 91% of participant’s base salary during final year of WESD employment to 82%)
 - Reduce participant’s pay to 73% of base salary during final year of WESD employment (from 80% in 2011-2012)
 - Reduce participant’s pay to 72.3%, and reduce pay to smartschoolsplus, inc. by 1%
 - Reduce participant’s pay to 75%, with WESD absorbing the remainder of the ACR cost

- **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 will remain in effect for one year only (2012-2013).
 - The program is intended for eligible employees who wish to work for WESD for only one more year.
 - At the end of 2012-2013, 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 classified employees, certified employees and administrators; the Superintendent would not be eligible to participate, per District Regulation GCQE-R.
 - There would be only one entry date into the program (July 1) for eligible participants.
 - 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 75 percent of the base salary earned during his or her final year of employment with WESD.
 - WESD will pay smartschoolsplus, inc. 86 percent 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 will be granted all general leave time up front.
 - 12-month employees will receive 12 days of general leave.
 - Employees who work fewer than 12 months per year will receive 10 days of general leave.
 - Program participants who are 12-month employees will be granted 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 [NCLB] 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
 - IBN Team
 - Planning and Steering Council
 - Facilities Council
 - Program participants will be allowed to serve on
 - a curriculum related committee, if the committee's work impacts the participant's current year students
 - a committee, including Site Council, only if doing so is a requirement of the participant's position; determination of said requirement is to be overseen by the principal or Superintendent or designee.

- Program participants are not to be paid for any days for which regular District employees are not compensated, i.e., furlough days.

Recommendation:

The 2011-2012 IBN Team recommends that the Governing Board authorize WESD to pursue a contract with smartschoolsplus, inc. for the 2012-2013 school year in accordance with the guidelines set forth in the straw design, above.

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board X Action

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

DATE: April 12, 2012 Information

AGENDA ITEM: Work Furlough 1st Reading

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					