

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board X Action

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

DATE: May 9, 2013 Information

AGENDA ITEM: Interest-Based Negotiations (IBN) Team’s Recommendations for 2013-2014 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 composed 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 2012-2013 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.
- Maintain, and possibly 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 2-7.

Superintendent _____

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

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- Encourage/promote safety for staff and students.

The following are among the issues that the IBN Team addressed this year:

- Employee phased retirement program (*recommendation presented to and approved by the Governing Board on January 10, 2013*)
- Winter Break for 12-month, classified staff (*no Governing Board recommendation required*)
- Employee compensation issues
 - Distribution of one-time monies to employees (*Governing Board recommendation included*)
 - Bus driver anomaly (*Governing Board recommendation included*)
 - Bus assistant anomaly (*Governing Board recommendation included*)
 - Psychologist anomaly (*Governing Board recommendation included*)
 - Social worker anomaly (*Governing Board recommendation included*)
 - Principal anomaly (*Governing Board recommendation included*)
 - Percentage salary increase (ongoing monies) (*Governing Board recommendation included*)
 - Compression (*Governing Board recommendation included*)
- IBN working conditions survey (*no Governing Board recommendation*)
- Special education anomaly (*no Governing Board recommendation*)
- Stipends (*no Governing Board recommendation*)
- IBN communication (*no Governing Board recommendation*)

SUMMARY AND RECOMMENDATION

It is recommended that the Governing Board approve the following:

1. It is recommended that the Governing Board approve distribution of one-time monies to employees as presented below, with monies to be paid in full to eligible employees in their August 23, 2013 paychecks and based on the employee's FTE as of March 1, 2013. The total cost for one-time monies in **Budget Scenario I** is \$1,400,000.00, the total cost for one-time monies in **Budget Scenario II** is \$1,800,000.00, the total cost for one-time monies in **Budget Scenario III** is \$2,000,000.00 and the total cost for one-time monies in **Budget Scenario IV** is \$2,200,000.00.

IF BUDGET SCENARIO I COMES TO FRUITION (*includes no additional revenue and neither kindergarten RCL [overrides] nor inflation factor [court case]*):

- Distribute a one-time, lump sum payment of \$100.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$225.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$350.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$475.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$600.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

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IF BUDGET SCENARIO II COMES TO FRUITION (includes kindergarten RCL [overrides] only):

- Distribute a one-time, lump sum payment of \$235.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$360.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$485.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$610.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$735.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

IF BUDGET SCENARIO III COMES TO FRUITION (includes inflation factor [court case] only):

- Distribute a one-time, lump sum payment of \$300.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$425.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$550.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$675.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$800.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

IF BUDGET SCENARIO IV COMES TO FRUITION (includes both kindergarten RCL [overrides] and inflation factor [court case]):

- Distribute a one-time, lump sum payment of \$365.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$490.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$615.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

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- Distribute a one-time, lump sum payment of \$740.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
 - Distribute a one-time, lump sum payment of \$865.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
2. It is recommended that if adequate ongoing funds are available, the starting hourly rate for bus drivers be increased to \$13.00 from \$12.53, with an additional \$0.05 per hour given for each year of continuous employment as a WESD bus driver, for a total cost of \$65,200.00.
 3. It is recommended that if adequate ongoing funds are available, the starting hourly rate for bus assistants be increased to \$9.05 from \$8.84, with an additional \$0.05 per hour given for each year of continuous employment as a WESD bus assistant, for a total cost of \$25,142.00.
 4. It is recommended that if adequate ongoing funds are available, the Governing Board approve the psychologist salary anomaly proposal as presented below, for a total cost of \$103,000.00.
 - Psychologist salary ranges

	<u>Masters</u>	<u>Education Specialist Degree</u>	<u>Doctorate</u>
<u>Start</u>	\$54,000.00	\$55,000.00	\$57,000.00
<u>End</u>	\$70,000.00	\$73,000.00	\$78,000.00

- Place current psychologists on the new salary schedule based on a \$500.00 increment per year of experience. (Increments of \$400.00 and \$300.00 were also considered as options.)
 - Maintain psychologists' current 220-day calendar.
 - Eliminate the stipend for having a doctorate.
 - Adjust for level movement for doctorate and education specialist degrees.
 - Continue to offer the incentive for having either National Association of School Psychologists certification or Arizona licensure. (The incentive is paid for only one, even if the employee has both.)
 - Continue to offer the incentive for having a bilingual endorsement.
5. It is recommended that if adequate ongoing funds are available *in funding sources other than M&O*, the Governing Board approve the social worker salary anomaly proposal as presented below, for a total cost of \$48,600.00, with no impact on the M&O budget.
 - Social worker salary ranges

	<u>BSW</u>	<u>MSW, MAED or MC</u>	<u>LMSW, LAC or LASAC</u>	<u>LCSW, LMFT or LPC</u>
<u>Start</u>	\$34,000.00	\$36,350.00	\$37,750.00	\$39,300.00
<u>End</u>	\$41,274.00	\$49,749.00	\$54,603.00	\$62,922.00

BSW = Bachelor of Social Work
MSW = Master of Social Work
MAED = Master of Arts in Education
MC = Master of Counseling

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LMSW = Licensed Master Social Worker

LAC = Licensed Addiction Counselor

LASAC = Licensed Associate Substance Abuse Counselor

LCSW = Licensed Clinical Social Worker

LMFT = Licensed Marriage and Family Therapist

LPC = Licensed Professional Counselor

- The proposed revised social worker salary schedule is similar in structure to that of the teacher salary schedule, and the teacher starting salary was used as the basis for the social worker starting salary.
 - Place current social workers on the new salary schedule based on a \$500.00 increment per year of experience. (Increments of \$600.00 and \$400.00 were also considered as options.)
 - Give up to eight years of credit for new hire social workers:
 - Year for year (1:1) credit for school-based social work/counseling experience
 - Year for every two years (1:2) for social work/counseling experience with majority of time working with children (not school-based)
 - Year for every three years (1:3) for social work/counseling experience not working with children on a regular basis
 - Credit based on implementation structure
 - With the new salary system already acknowledging social work certification, eliminate the LCSW stipend that is currently offered.
6. It is recommended that if adequate ongoing funds are available, the Governing Board approve the principal anomaly proposal as presented below, for a net cost of \$27,200.00 (\$75,200.00, less \$48,000.00 already allocated for the tiered system.) The cost of this proposal results from the addition of four days to principals' work calendar and paying each principal his or her per diem for those additional four days.
- Move to a range salary system for principals, to align with all other employee salary systems.
 - Increase the principal work calendar by four days, while increasing each principal's salary by his or her individual per diem rate for the additional days. The increase in days allows for professional development and additional time at the schools before school starts.
7. It is recommended that the Governing Board approve distribution of ongoing funds as presented below. The cost of this recommendation has yet to be determined pending further information from the AZ Legislature.

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	Total Revenue Available, Including One-Time Monies	Portion of Net Revenue Available to be Used for Ongoing Salary Allocation	Portion of Net Revenue Available to be Used for One-Time Monies Allocation (includes funding sources in addition to M&O)
Scenario I - includes no additional funds and <u>neither</u> kindergarten RCL (overrides) <u>nor</u> inflation factor (court case)	\$1,400,000.00	\$0.00 (Would not be able to address anomalies)	\$1,400,000.00
Scenario II - includes kindergarten RCL (overrides) <u>only</u>	\$2,069,000.00	\$269,000.00 (Would be able to address bus driver, bus assistant, psychologist, social worker and principal anomalies)	\$1,800,000.00
Scenario III - includes inflation factor (court case) <u>only</u> *	\$2,300,000.00	\$300,000.00 (Would be able to address bus driver, bus assistant, psychologist, social worker and principal anomalies)	\$2,000,000.00
Scenario IV - includes <u>both</u> kindergarten RCL (overrides) <u>and</u> inflation factor (court case)*	\$3,000,000.00	\$800,000.00 (Would be able to address anomalies above, plus offer 1/2% salary increase)	\$2,200,000.00

***Based on the Legislature funding the full amount of the inflation factor. In the event the Legislature does not fund the full amount, the additional compensation shall be prorated based on the amount approved.**

- In allocating ongoing funds for 2013-2014, addressing anomalies takes precedence over providing a percentage salary increase.
- In **Budget Scenario I**, above, no ongoing funds would be available, and anomalies could not be addressed.
- In **Budget Scenario II** and **Budget Scenario III**, above, ongoing funds could address the bus driver, bus assistant, psychologist, social worker and principal anomalies, leaving a balance that would not be feasible to apply to a percentage salary increase. District administration should decide how to use the remaining ongoing funds.
- In **Budget Scenario IV**, above, it would be feasible to provide a percentage salary increase after having addressed the anomalies.
- Employees who fall into one of the anomaly categories and receive more via the anomaly recommendation than they would via the percentage salary increase will receive only the anomaly recommendation and not the percentage salary increase.
- Employees who fall into one of the anomaly categories and receive less via the anomaly recommendation than they would via the percentage salary increase will receive the percentage salary increase amount only.

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8. It is recommended that the Governing Board approve the compression avoidance proposal as presented below. There is no cost to this recommendation.
 - Reduce the percent of credit from 1.8 percent per year (compounded) to 1.5 percent per year. Limit year-for-year credit for new hire special education teachers to up to 20 years, not to exceed the ending salary. (Currently, new hire special education teachers are given year-for-year credit with no limit, up to the ending salary.)
 - For rehires
 - *Assuming same pay grade:* If an individual is rehired within 16 months (last day of work versus first day of work as a rehire) of his or her separation date, WESD will place the individual at the base salary he or she was earning at the time of separation, or WESD will place the individual according to new hire placement procedures, whichever is less.
 - *Assuming different pay grade:* WESD will apply new hire placement procedures for the rehired individual.

Interest-Based Negotiations Recommendations for 2013-2014

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 2012-2013 IBN Team is composed 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 2012-2013 IBN members.

After two days of training during December 2012, IBN Team members participated in four scheduled, full-day meetings between January 22, 2013 and April 29, 2013. 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 of a District-wide employee working conditions survey
- Tracking federal and state legislative actions that have potential impact on WESD budget
- Receiving WESD financial status and ADM updates from Director of Business Services Cathy Thompson
- Reviewing relevant information from neighboring districts

Options – 2013-2014 SCHOOL YEAR

The *issues* that were addressed by the 2012-2013 IBN Team, as well as the related *options* that team members generated, the *interests/criteria* according to which they evaluated each option and their ensuing IBN *recommendations* are described below.

ISSUE A: EMPLOYEE PHASED RETIREMENT PROGRAM

On January 10, 2013, the Governing Board approved IBN's phased retirement program recommendation for the 2013-2014 school year.

ISSUE B: WINTER BREAK FOR 12-MONTH CLASSIFIED STAFF

• Description

For several years, WESD has closed for the two-week period of Winter Break. Twelve-month classified employees receive five paid holidays during that time, and they have been required to use earned vacation to cover the remaining five days. A plan was developed by the 2010-2011 IBN Team, approved by the Governing Board and implemented the subsequent year to address concerns regarding the mandatory use of vacation days for this purpose. Nevertheless, employees have continued to express concerns; in fact, the required use of vacation days during Winter Break remains the most significant issue among 12-month employees in a number of departments.

• Options

After IBN members brainstormed options, a Winter Break subcommittee developed a straw design that includes the following components for 12-month classified employees:

- Add five holidays for Winter Break.
- Move to a new vacation schedule for all 12-month classified employees:
 - Start date through the end of the fifth year - - - - - 10 vacation days
 - Beginning of the sixth year through the end of the tenth year - - 15 vacation days
 - Beginning of the eleventh year and above - - - - - 18 vacation days
- Unused vacation goes to accrued sick leave.
- Nonexempt employees who are required to work during Winter Break receive double pay.
- Nonexempt employees may work during Winter Break only under the following conditions:
 - No salaried employee is available to do the work.
 - The work is time sensitive.
 - The work is a matter related to safety or security.
 - The work cannot be completed on another date.
 - Funding must be in the department budget, i.e., planned for in advance.
 - The work must be preapproved by the Superintendent or designee.

IBN members achieved full consensus on the proposed straw design.

• Evaluating Options

The straw design meets the following interests/criteria:

- Equity in the organization
- Employee choice
- Value to the employee/morale
- Productivity and accountability
- Resource conservation
- Liability and safety
- Fiscal responsibility
- Internal and external perception

- Compliance
- Workability

- **Recommendation**

No Governing Board recommendation is required. The straw design components are reflected in revisions to Regulation GCD-R/GDD-R, Professional/Support Staff Vacations and Holidays.

ISSUE C: EMPLOYEE COMPENSATION

- **Description**

The Arizona Legislature has not yet put forth a FY2014 budget, and many unknowns remain. Director of Business Services Cathy Thompson has identified three possible estimated budget scenarios for WESD in 2013-2014:

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Scenario I - includes no additional funds and <u>neither</u> kindergarten RCL (overrides) <u>nor</u> inflation factor (court case)	\$1,400,000.00	\$0.00 (Would not be able to address anomalies)	\$1,400,000.00
Scenario II - includes kindergarten RCL (overrides) <u>only</u>	\$2,069,000.00	\$269,000.00 - (Would be able to address bus driver, bus assistant, psychologist, social worker and principal anomalies)	\$1,800,000.00
Scenario III - includes inflation factor (court case) <u>only</u> *	\$2,300,000.00	\$300,000.00 (Would be able to address bus driver, bus assistant, psychologist, social worker and principal anomalies)	\$2,000,000.00

Scenario IV - includes both kindergarten RCL (overrides) and inflation factor (court case)*	\$3,000,000.00	\$800,000.00 (Would be able to address anomalies above, plus offer ½% salary increase)	\$2,200,000.00
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***Based on the Legislature funding the full amount of the inflation factor. In the event the Legislature does not fund the full amount, the additional compensation shall be prorated based on the amount approved.**

• Options

IBN members brainstormed the following compensation-related options:

- Do nothing
- Increase based on years of service
- Tiered model based on percent
- Tiered model based on dollar amount
- Flat percent for all employees
- Model that addresses both salary increase and compression for all employees
- One-time dollar amount for all employees
- Cost of living raise (1.6 percent)
- Adjustments to salary ranges
- Adjustments within salary ranges
- Raises for groups that are not competitive with local/regional districts
- Bonuses for employees near retirement
- Attendance bonuses; cash in unused sick leave
- Cash in unused vacation days
- Increase number of sick/leave days
- Provide fringe benefits
- Improve benefit package
- Higher raises to those receiving lower per diem
- Restore 100% stipends
- Increase based on productivity

• Evaluating Options

Options were evaluated in light of the following interests/criteria:

- Salary increases to maintain a standard of living
- Confidence in future earnings
- Promoting retention and recruitment
- Retirement benefits that are dependent on earnings
- Maintaining morale and promoting productivity
- Sustainability
- Predictability
- Maintaining lane change ability
- Being competitive with other districts and the private sector
- Balanced District budget
- Fairness and equity

- Legality

- **Recommendation**

Compensation-related recommendations are presented in the discussions of *ISSUES C-1* through *C-7* that follow.

ISSUE C-1: DISTRIBUTION OF ONE-TIME MONEY TO EMPLOYEES

- **Description**

Even in *Budget Scenario I*, described above in Issue C, funding is expected to be available to distribute to employees as one-time money.

- **Options**

The following straw design was developed by the IBN salary subcommittee and presented to the full IBN team for consideration:

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.

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- Distribute a one-time, lump sum payment of \$225.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$350.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$475.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$600.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

IF BUDGET SCENARIO II COMES TO FRUITION (*includes kindergarten RCL [overrides] only*):

- Distribute a one-time, lump sum payment of \$235.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$360.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

- Distribute a one-time, lump sum payment of \$485.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$610.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$735.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

IF BUDGET SCENARIO III COMES TO FRUITION *(includes inflation factor [court case] only):*

- Distribute a one-time, lump sum payment of \$300.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$425.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$550.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$675.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$800.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

IF BUDGET SCENARIO IV COMES TO FRUITION *(includes both kindergarten RCL [overrides] and inflation factor [court case]):*

- Distribute a one-time, lump sum payment of \$365.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$490.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$615.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$740.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$865.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

- **Evaluating Options**

The straw design was evaluated in light of the interests/criteria outlined in Issue C, above.

- **Recommendation**

IBN is recommending that one-time monies be distributed according to the parameters outlined in the straw design described above, to be paid in full to eligible employees in their August 23, 2013 paychecks and based on the employee's FTE as of March 1, 2013. The total cost for one-time monies in *Budget Scenario I* is \$1,400,000.00, the total cost for one-time monies in *Budget Scenario II* is \$1,800,000.00, the total cost for one-time monies in *Budget Scenario III* is \$2,000,000.00 and the total cost for one-time monies in *Budget Scenario IV* is \$2,200,000.00.

ISSUE C-2: BUS DRIVER ANOMALY

- **Description**

Starting pay for WESD bus drivers is \$12.53 per hour, considerably less than the median (\$12.85 per hour) and mean (\$12.96 per hour) of starting driver wages in neighboring districts. Turnover is high, with drivers frequently citing the need for better pay and more hours as their rationale for resigning. Frequently, mechanics, trainers and Transportation Department office staff must cover vacant bus driver positions until they can be filled; productivity and overtime issues often result. Training a new driver generally takes four weeks, at a cost of \$1,200.00. Upon completing training and receiving their certification, a number of drivers immediately seek employment with neighboring districts that offer a significantly higher rate of pay.

- **Options**

The following options were considered:

- Option #1: Starting hourly rate of \$13.00, with an additional \$0.05 per hour for each year of continuous employment as a WESD bus driver, e.g., new hire bus driver would earn \$13.00 per hour, a driver who has worked for WESD for one year would earn \$13.05 per hour, a driver who has worked for WESD for two years would earn \$13.10 per hour, etc.
- Option #2: Starting hourly rate of \$12.85, with an additional \$0.05 per hour for each year of continuous employment as a WESD bus driver
- Option #3: Starting hourly rate of \$12.75, with an additional \$0.05 per hour for each year of continuous employment as a WESD bus driver

- **Evaluating Options**

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

- Retention
- Reduced training/overtime costs
- Student safety
- Fiscal responsibility
- Morale
- Recruitment
- Productivity

Moreover, the options were considered in light of the question, "Is this hourly rate high enough to retain bus drivers given the pay rates in neighboring districts?"

- **Recommendation**

Presuming sufficient ongoing funding is available, IBN is recommending Option #1, i.e., a starting hourly rate of \$13.00 for bus drivers, with an additional \$0.05 per hour for each year of continuous employment as a WESD bus driver, for a total cost of \$65,200.00.

ISSUE C-3: BUS ASSISTANT ANOMALY

- **Description**

With a starting hourly rate of \$8.84, WESD bus assistant pay is not competitive with the market. Given the modest pay and often challenging working conditions, bus assistant turnover is high.

- **Options**

The following options were considered:

- Option #1: Starting hourly rate of \$9.18, with an additional \$0.05 per hour for each year of continuous employment as a WESD bus assistant, e.g., new hire bus assistant would earn \$9.18 per hour, a bus assistant who has worked for WESD for one year would earn \$9.23 per hour, a bus assistant who has worked for WESD for two years would earn \$9.28 per hour, etc.
- Option #2: Starting hourly rate of \$9.05, with an additional \$0.05 per hour for each year of continuous employment as a WESD bus assistant
- Option #3: Starting hourly rate of \$9.00, with an additional \$0.05 per hour for each year of continuous employment as a WESD bus assistant

- **Evaluating Options**

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

- Retention
- Student safety
- Fiscal responsibility
- Morale
- Recruitment
- Market value

- **Recommendation**

Presuming sufficient ongoing funding is available, IBN is recommending Option #2, i.e., a starting hourly rate of \$9.05 for bus assistants, with an additional \$0.05 per hour for each year of continuous employment as a WESD bus assistant, for a total cost of \$25,142.00.

ISSUE C-4: PSYCHOLOGIST ANOMALY

- **Description**

Psychologist positions are considered hard-to-hire, and this recruitment challenge will likely be exacerbated when ASU discontinues its psychology doctorate program at the end of the current semester. If vacancies have to be filled with contracted personnel, the costs are exorbitant, and the quality is often low. While WESD's masters level starting salary is competitive, the ending salary is below the mean of neighboring

districts' ending salaries; moreover, psychologists are not offered salary movement for professional growth, and doctorate level psychologists are paid the same as their masters level colleagues. With 17 percent of District students receiving special education services (compared to the national average of 13 percent), WESD psychologists' caseloads are very high.

• **Options**

IBN's salary subcommittee developed a straw design that includes the following components:

- Psychologist salary ranges

	<u>Masters</u>	<u>Education Specialist Degree</u>	<u>Doctorate</u>
<u>Start</u>	\$54,000.00	\$55,000.00	\$57,000.00
<u>End</u>	\$70,000.00	\$73,000.00	\$78,000.00

- Place current psychologists on the new salary schedule based on a \$500.00 increment per year of experience. (Increments of \$400.00 and \$300.00 were also considered as options.)
- Maintain psychologists' current 220-day calendar.
- Eliminate the stipend for having a doctorate.
- Adjust for level movement for doctorate and education specialist degrees.
- Continue to offer the incentive for having either National Association of School Psychologists certification or Arizona licensure. (The incentive is paid for only one, even if the employee has both.)
- Continue to offer the incentive for having a bilingual endorsement.

• **Evaluating Options**

The straw design was evaluated in light of the following interests/criteria:

- Retention
- Recruitment of high quality candidates
- Motivation to obtain doctorate
- Compliance
- Fiscal responsibility
- Avoiding contract personnel

• **Recommendation**

Presuming sufficient ongoing funding is available, IBN is recommending the straw design elaborated above, for a total cost of \$103,000.00.

ISSUE C-5: SOCIAL WORKER ANOMALY

• **Description**

WESD's starting salary for social workers appears to be competitive with those of neighboring districts, and social worker positions do not seem to be hard-to-hire; however, current social workers and their administrator have concerns regarding new hire placement procedures. Other districts place social workers on the teacher salary schedule, which provides them opportunities for professional growth salary movement. Although WESD social workers follow the teacher calendar, they have a salary schedule separate from that of certified teachers.

- **Options**

IBN’s salary subcommittee developed a straw design that includes the following components:

- Social worker salary ranges

	<u>BSW</u>	<u>MSW, MAED or MC</u>	<u>LMSW, LAC or LASAC</u>	<u>LCSW, LMFT or LPC</u>
<u>Start</u>	\$34,000.00	\$36,350.00	\$37,750.00	\$39,300.00
<u>End</u>	\$41,274.00	\$49,749.00	\$54,603.00	\$62,922.00

BSW = Bachelor of Social Work

MSW = Master of Social Work

MAED = Master of Arts in Education

MC = Master of Counseling

LMSW = Licensed Master Social Worker

LAC = Licensed Addiction Counselor

LASAC = Licensed Associate Substance Abuse Counselor

LCSW = Licensed Clinical Social Worker

LMFT = Licensed Marriage and Family Therapist

LPC = Licensed Professional Counselor

- The proposed revised social worker salary schedule is similar in structure to that of the teacher salary schedule, and the teacher starting salary was used as the basis for the social worker starting salary.
- Place current social workers on the new salary schedule based on a \$500.00 increment per year of experience. (Increments of \$600.00 and \$400.00 were also considered as options.)
- Give up to eight years of credit for new hire social workers:
 - Year for year (1:1) credit for school-based social work/counseling experience
 - Year for every two years (1:2) for social work/counseling experience with majority of time working with children (not school-based)
 - Year for every three years (1:3) for social work/counseling experience not working with children on a regular basis
 - Credit based on implementation structure
- With the new salary system already acknowledging social work certification, eliminate the LCSW stipend that is currently offered.

- **Evaluating Options**

The straw design was evaluated in light of the following interests/criteria:

- Retention
- Recruitment
- Morale
- Motivation for professional development
- Equity and fairness (pay similar to other school-based professionals)
- Fiscal responsibility

- **Recommendation**

Presuming sufficient ongoing funding is available *in funding sources other than M&O*, IBN is recommending the straw design elaborated above, for a total cost of \$48,600.00, with no impact on the M&O budget.

ISSUE C-6: PRINCIPAL ANOMALY

- **Description**

Several concerns have been identified regarding the current principal salary system. The system requires that principals be moved to a higher tier every four to five years; this movement has been perceived by some employees as a salary increase for principals while other employee salaries have been frozen. The ending salary for assistant principals is too close to the starting principal salary. Furthermore, principal qualifications, responsibilities and accountability requirements have become increasingly complex and challenging. Principal positions at some schools are perceived as hard-to-fill; WESD is competing with other districts who may offer perks to principals in addition to their base salary.

- **Options**

IBN's salary subcommittee developed a straw design that includes the following components:

- Move to a range salary system for principals, to align with all other employee salary systems.
- Increase the principal work calendar by four days, while increasing each principal's salary by his or her individual per diem rate for the additional days. The increase in days allows for professional development and additional time at schools before school starts.

- **Evaluating Options**

The straw design was evaluated in light of the following interests/criteria:

- Maintaining competitiveness with other districts
- Providing opportunities for individual professional growth, especially related to District, state and federal initiatives
- Student and school growth
- Avoiding compression
- Enabling principals to spend more time at school during the school year since more training can be provided during the summer
- Recruitment and retention of highly effective principals
- Adequate salary increase for promotions
- Fairness and equity

- **Recommendation**

Presuming sufficient ongoing funding is available, IBN is recommending the straw design described above, for a net cost of \$27,200.00 (\$75,200.00, less \$48,000.00 already allocated for the tiered system). The cost of this proposal results from the addition of four days to principals' work calendar and paying each principal his or her per diem for those additional four days.

ISSUE C-7: PERCENTAGE SALARY INCREASE (ONGOING MONIES)

- **Description**

As budget has permitted, WESD employees have received one-time monies during recent years. These monies do count toward an employee's Arizona State Retirement System retirement calculation. Nevertheless, many employees have expressed consternation that there have been no sustainable salary increases during the past four years.

- **Options**

The following straw design was presented for IBN's consideration:

- In allocating ongoing funds for 2013-2014, addressing anomalies takes precedence over providing a percentage salary increase.
- In **Budget Scenario I**, described above in Issue C, no ongoing funds would be available, and anomalies could not be addressed.
- In both **Budget Scenario II** and **Budget Scenario III**, described above in Issue C, ongoing funds could address the bus driver, bus assistant, psychologist, social worker and principal anomalies, leaving a balance that would not be feasible to apply the balance to a percentage salary increase. District administration should decide how to use the remaining ongoing funds.
- In **Budget Scenario IV**, described above in Issue C, it would be feasible to provide a one-half percent salary increase after having addressed the anomalies.
- Employees who fall into one of the anomaly categories and receive more via the anomaly recommendation than they would via the percentage salary increase will receive only the anomaly recommendation and not the percentage salary increase.
- Employees who fall into one of the anomaly categories and receive less via the anomaly recommendation than they would via the percentage salary increase will receive the percentage salary increase amount only.

- **Evaluating Options**

The straw design was evaluated in light of interests/criteria outline in Issue C, above.

- **Recommendation**

IBN is recommending that ongoing funds be distributed according to the parameters outlined in the straw design described above.

ISSUE D: COMPRESSION

- **Description**

IBN members discussed salary compression at considerable length. Compression impacts all employee groups and causes issues ranging from low morale to increased turnover. In the mid-2000s, IBN developed and began implementing a compression relief model; unfortunately, however, economic conditions halted further implementation.

The cost to comprehensively address compression issues is prohibitive. Nevertheless, action is being taken when possible. The anomaly proposals that are being recommended reflect an effort to curtail future compression.

- **Options**

The following compression avoidance straw design was presented for IBN's consideration:

- Reduce the percent of credit from 1.8 percent per year (compounded) to 1.5 percent per year.
- Limit year-for-year credit for new hire special education teachers to up to 20 years, not to exceed the ending salary. (Currently, new hire special education teachers are given year-for-year credit with no limit, up to the ending salary.)
- For rehires
 - *Assuming same pay grade:* If an individual is rehired within 16 months (last day of work versus first day of work as a rehire) of his or her separation date, WESD will place the individual at the base salary he or she was earning at the time of separation, or WESD will place the individual according to new hire placement procedures, whichever is less.
 - *Assuming different pay grade:* WESD will apply new hire placement procedures for the rehired individual.

- **Evaluating Options**

The straw design was evaluated in light of the following interests/criteria:

- Limiting liability/improving safety
- Creating community feeling
- Improving morale
- Retaining quality employees
- Providing promotional opportunities
- Improving customer service
- Improving working conditions
- Positive relations with the public
- Consistent accountability

- **Recommendation**

IBN is recommending that the compression avoidance straw design be implemented as described above. There is no cost to this recommendation.

OTHER ISSUES

The following is a brief recap of some of the other issues that were addressed by the 2012-2013 IBN Team, none of which generated a Governing Board recommendation.

- **IBN Working Conditions Survey**

The IBN Team conducted its fourth annual working conditions survey. Sixty-one percent of employees complete the online survey, which was administered by K-12 Insight, an independent research and communication firm. Overall results were good; seventy-seven percent of respondents indicated they are happy working for the District. Site-level recognition and salary were identified as particularly important concerns.

By the end of the current school year, each principal and department administrator will have a conversation with employees regarding the survey results. Each site and department will follow up in August by writing and submitting a plan to address opportunities for improvement.

- **Special Education Anomaly**

Special education teachers and support staff were identified by IBN as anomaly groups. The interest-based process was followed in considering these anomalies; story was told, interests were identified and options were brainstormed and evaluated. Because of the large number of employees involved, however, the IBN salary subcommittee concluded that funds are not sufficient to address these anomalies at the present time.

Nevertheless, the challenges that special education teachers and support staff face are significant and include high class sizes and caseloads, breadth and intensity of student needs, ongoing training needs, as well as recruitment and retention issues.

- **Stipends**

For 2013-2014, stipends will remain the same as they have been during the current year. A stipend task force is being organized to evaluate each stipend on an individual basis. Evaluation results will be presented to the IBN Team next year.

- **IBN Communication**

During a December IBN meeting, members identified inadequate communication between team members and constituents as a concern. Clearly, many employees seemed unfamiliar with the group's purpose and processes, and the IBN Communiqué was frequently ignored or misunderstood. An IBN communications subcommittee developed an action plan to address these concerns. The IBN Communiqué was reformatted to provide a brief synopsis of information followed by a more detailed explanation. Each IBN representative contacted their constituents directly, via e-mail. An IBN video is currently being produced, and an IBN page on the WESD Web site will be developed.

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 \$1,400,000.00 for ***Budget Scenario I***
 - Estimated cost of \$1,800,000.00 for ***Budget Scenario II***
 - Estimated cost of \$2,000,000.00 for ***Budget Scenario III***
 - Estimated cost of \$2,200,000.00 for ***Budget Scenario IV***
- Recommendation #2:
 - Estimated cost of \$65,200.00
- Recommendation #3:
 - Estimated cost of \$25,142.00
- Recommendation #4:
 - Estimated cost of \$103,000.00
- Recommendation #5:
 - No impact on the M&O budget
- Recommendation #6:
 - Estimated cost of \$27,200.00
- Recommendation #7:
 - Cost yet to be determined pending further information from the AZ Legislature

- Recommendation #8:
 - Cost neutral

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

Employees received periodic communiqués (*Attachment B*) via e-mail during the IBN process. School office managers, cafeteria managers, facilities managers and department administrators were also asked to post hard copies of the communiqués, and principals were asked to remind their staff to check their e-mail and read the communiqués. 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 the Governing Board approve distribution of one-time monies to employees as presented below, with monies to be paid in full to eligible employees in their August 23, 2013 paychecks and based on the employee's FTE as of March 1, 2013. The total cost for one-time monies in *Budget Scenario I* is \$1,400,000.00, the total cost for one-time monies in *Budget Scenario II* is \$1,800,000.00, the total cost for one-time monies in *Budget Scenario III* is \$2,000,000.00 and the total cost for one-time monies in *Budget Scenario IV* is \$2,200,000.00.

IF BUDGET SCENARIO I COMES TO FRUITION (*includes no additional revenue and neither kindergarten RCL [overrides] nor inflation factor [court case]*):

- Distribute a one-time, lump sum payment of \$100.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$225.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$350.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$475.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$600.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

IF BUDGET SCENARIO II COMES TO FRUITION (includes kindergarten RCL [overrides] only):

- Distribute a one-time, lump sum payment of \$235.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$360.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$485.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$610.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$735.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

IF BUDGET SCENARIO III COMES TO FRUITION (includes inflation factor [court case] only):

- Distribute a one-time, lump sum payment of \$300.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$425.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$550.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$675.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$800.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

IF BUDGET SCENARIO IV COMES TO FRUITION (includes both kindergarten RCL [overrides] and inflation factor [court case]):

- Distribute a one-time, lump sum payment of \$365.00 to each 1.0 FTE employee hired between 7/1/2012 and 1/11/2013, and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
- Distribute a one-time, lump sum payment of \$490.00 to each 1.0 FTE employee hired during the 2011-2012 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.

- Distribute a one-time, lump sum payment of \$615.00 to each 1.0 FTE employee hired during the 2010-2011 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
 - Distribute a one-time, lump sum payment of \$740.00 to each 1.0 FTE employee hired during the 2009-2010 school year and still employed by WESD in a regular position as of 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
 - Distribute a one-time, lump sum payment of \$865.00 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 8/16/2013. For less than full-time employees, prorate the lump sum based on FTE.
2. It is recommended that if adequate ongoing funds are available, the starting hourly rate for bus drivers be increased to \$13.00 from \$12.53, with an additional \$0.05 per hour given for each year of continuous employment as a WESD bus driver, for a total cost of \$65,200.00.
 3. It is recommended that if adequate ongoing funds are available, the starting hourly rate for bus assistants be increased to \$9.05 from \$8.84, with an additional \$0.05 per hour given for each year of continuous employment as a WESD bus assistant, for a total cost of \$25,142.00.
 4. It is recommended that if adequate ongoing funds are available, the Governing Board approve the psychologist salary anomaly proposal as presented below, for a total cost of \$103,000.00.
 - Psychologist salary ranges

	<u>Masters</u>	<u>Education Specialist Degree</u>	<u>Doctorate</u>
<u>Start</u>	\$54,000.00	\$55,000.00	\$57,000.00
<u>End</u>	\$70,000.00	\$73,000.00	\$78,000.00

- Place current psychologists on the new salary schedule based on a \$500.00 increment per year of experience. (Increments of \$400.00 and \$300.00 were also considered as options.)
 - Maintain psychologists' current 220-day calendar.
 - Eliminate the stipend for having a doctorate.
 - Adjust for level movement for doctorate and education specialist degrees.
 - Continue to offer the incentive for having either National Association of School Psychologists certification or Arizona licensure. (The incentive is paid for only one, even if the employee has both.)
 - Continue to offer the incentive for having a bilingual endorsement.
5. It is recommended that if adequate ongoing funds are available *in funding sources other than M&O*, the Governing Board approve the social worker salary anomaly proposal as presented below, for a total cost of \$48,600.00, with no impact on the M&O budget.

- Social worker salary ranges

	<u>BSW</u>	MSW, MAED or <u>MC</u>	LMSW, LAC or <u>LASAC</u>	LCSW, LMFT or <u>LPC</u>
<u>Start</u>	\$34,000.00	\$36,350.00	\$37,750.00	\$39,300.00
<u>End</u>	\$41,274.00	\$49,749.00	\$54,603.00	\$62,922.00

BSW = Bachelor of Social Work

MSW = Master of Social Work

MAED = Master of Arts in Education

MC = Master of Counseling

LMSW = Licensed Master Social Worker

LAC = Licensed Addiction Counselor

LASAC = Licensed Associate Substance Abuse Counselor

LCSW = Licensed Clinical Social Worker

LMFT = Licensed Marriage and Family Therapist

LPC = Licensed Professional Counselor

- The proposed revised social worker salary schedule is similar in structure to that of the teacher salary schedule, and the teacher starting salary was used as the basis for the social worker starting salary.
 - Place current social workers on the new salary schedule based on a \$500.00 increment per year of experience. (Increments of \$600.00 and \$400.00 were also considered as options.)
 - Give up to eight years of credit for new hire social workers:
 - Year for year (1:1) credit for school-based social work/counseling experience
 - Year for every two years (1:2) for social work/counseling experience with majority of time working with children (not school-based)
 - Year for every three years (1:3) for social work/counseling experience not working with children on a regular basis
 - Credit based on implementation structure
 - With the new salary system already acknowledging social work certification, eliminate the LCSW stipend that is currently offered.
6. It is recommended that if adequate ongoing funds are available, the Governing Board approve the principal anomaly proposal as presented below, for a net cost of \$27,200.00 (\$75,200.00, less \$48,000.00 already allocated for the tiered system.) The cost of this proposal results from the addition of four days to principals' work calendar and paying each principal his or her per diem for those additional four days.
- Move to a range salary system for principals, to align with all other employee salary systems.
 - Increase the principal work calendar by four days, while increasing each principal's salary by his or her individual per diem rate for the additional days. The increase in days allows for professional development and additional time at the schools before school starts.
7. It is recommended that the Governing Board approve distribution of ongoing funds as presented below. The cost of this recommendation has yet to be determined pending further information from the AZ Legislature.

	Total Revenue Available, Including One-Time Monies	Portion of Net Revenue Available to be Used for Ongoing Salary Allocation	Portion of Net Revenue Available to be Used for One-Time Monies Allocation (includes funding sources in addition to M&O)
Scenario I - includes no additional funds and neither kindergarten RCL (overrides) nor inflation factor (court case)	\$1,400,000.00	\$0.00 (Would not be able to address anomalies)	\$1,400,000.00
Scenario II - includes kindergarten RCL (overrides) only	\$2,069,000.00	\$269,000.00 - (Would be able to address bus driver, bus assistant, psychologist, social worker and principal anomalies)	\$1,800,000.00
Scenario III - includes inflation factor (court case) only*	\$2,300,000.00	\$300,000.00 (Would be able to address bus driver, bus assistant, psychologist, social worker and principal anomalies)	\$2,000,000.00
Scenario IV - includes both kindergarten RCL (overrides) and inflation factor (court case)*	\$3,000,000.00	\$800,000.00 (Would be able to address anomalies above, plus offer 1/2% salary increase)	\$2,200,000.00

***Based on the Legislature funding the full amount of the inflation factor. In the event the Legislature does not fund the full amount, the additional compensation shall be prorated based on the amount approved.**

- In allocating ongoing funds for 2013-2014, addressing anomalies takes precedence over providing a percentage salary increase.
- In **Budget Scenario I**, above, no ongoing funds would be available, and anomalies could not be addressed.
- In **Budget Scenario II** and **Budget Scenario III**, above, ongoing funds could address the bus driver, bus assistant, psychologist, social worker and principal anomalies, leaving a balance that would not

be feasible to apply to a percentage salary increase. District administration should decide how to use the remaining ongoing funds.

- In *Budget Scenario IV*, above, it would be feasible to provide a percentage salary increase after having addressed the anomalies.
- Employees who fall into one of the anomaly categories and receive more via the anomaly recommendation than they would via the percentage salary increase will receive only the anomaly recommendation and not the percentage salary increase.

Employees who fall into one of the anomaly categories and receive less via the anomaly recommendation than they would via the percentage salary increase will receive the percentage salary increase amount only.

8. It is recommended that the Governing Board approve the compression avoidance proposal as presented below. There is no cost to this recommendation.

- Reduce the percent of credit from 1.8 percent per year (compounded) to 1.5 percent per year.
- Limit year-for-year credit for new hire special education teachers to up to 20 years, not to exceed the ending salary. (Currently, new hire special education teachers are given year-for-year credit with no limit, up to the ending salary.)
- For rehires
 - *Assuming same pay grade:* If an individual is rehired within 16 months (last day of work versus first day of work as a rehire) of his or her separation date, WESD will place the individual at the base salary he or she was earning at the time of separation, or WESD will place the individual according to new hire placement procedures, whichever is less.
 - *Assuming different pay grade:* WESD will apply new hire placement procedures for the rehired individual.

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board X Action

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

DATE: January 10, 2013 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: Justin Wing, Director of Human Resources

GOVERNING BOARD POLICY REFERENCE OR STATUTORY CITATION: BBA; ARS §15-502; ARS §38-766.02

SUPPORTING DATA

Funding Source: Various
Budgeted: Yes

Phased retirement programs provide 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 possess.

Smartschoolsplus, inc. offers a phased retirement program for Arizona public school districts and their eligible employees. As a third party entity, the company provides a means of circumventing the return-to-work restriction, i.e., the 20/20 rule, which is imposed upon an Arizona State Retirement System (ASRS) retiree during his or her first year of retirement. Upon retiring from a school district and through ASRS, an individual may be employed by smartschoolsplus, inc. as a temporary contract employee; having entered into a contract with the given school district, smartschoolsplus, inc. leases the individual back to the district. Typically, the individual is placed in the same or comparable position that he or she held prior to retiring. The individual is able to work full-time, while collecting his or her ASRS pension, and the district saves the cost of health insurance and other fringe benefits that would be paid if the individual were a district employee.

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. At the recommendation of WESD’s Interest-Based Negotiations (IBN) Team

SUMMARY AND RECOMMENDATION

It is recommended that the Governing Board authorize WESD to pursue a contract with smartschoolsplus, inc. for the 2013-2014 school year in accordance with the guidelines set forth in the Interest-Based Negotiations Team’s straw design proposal.

Superintendent _____

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

Employee Phased Retirement Program

January 10, 2013

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and approval by the Governing Board, phased retirement through smartschoolsplus, inc. was reinstated for 2011-2012 as a one-year program that included stipulations and conditions that had not previously been addressed. Last year, the Governing Board approved an updated IBN recommendation for a one-year phased retirement program, again through smartschoolsplus, inc., for 2012-2013. That proposal addressed the ASRS alternate contribution rate (ACR), which has been in effect since July 1, 2012 and requires ASRS employers to contribute, at an alternate rate, on behalf of retired ASRS members whom they employ as direct, leased or contractual employees.

During their December 2012 meetings, WESD IBN Team members considered the feasibility of recommending that an employee phased retirement program be reauthorized for the 2013-2014 school year. Details regarding the group's interest-based process are attached.

Employee Phased Retirement Program

Issue:

On February 9, 2012, in response to a recommendation developed by the 2011-2012 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 2012-2013 school year. Currently, as 2013-2014 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 2012-2013 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 meetings on December 3 and 4, 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:
 - During the current school year, 12.1 FTE (13 people, 9 certified and 4 classified) participate in the phased retirement program, which is costing WESD approximately \$280,000 less than if all had remained District employees for the year.
 - The 2012-2013 phased retirement program was approved after February 1, 2012. According to policy, February 1 is the date by which eligible employees must notify Human Resources of their intended retirement in order to ensure receipt of their leave buyout during that fiscal year.
 - During 2011-2012, 34 people participated in the phased retirement program. Thirteen of the participants were rehired as WESD employees for 2012-2013.
 - If phased retirement through smartschoolsplus, inc. is approved for 2013-2014, the company would like to have WESD principals evaluate smartschoolsplus, inc. teachers using the WESD teacher evaluation instrument.
 - The 2011-2012 phased retirement program participants received 80 percent of their pre-retirement base salary or hourly rate; the 2012-2013 participants receive 75 percent of their pre-retirement base salary or hourly rate. Some people expressed concern about the 5 percent reduction, which was instituted to enable the District to recover part of the alternate contribution rate (ACR) that must be paid to the Arizona State Retirement System (ASRS) for retired ASRS members who are employed as direct, leased or contractual employees.
 - The ACR for 2013-2014 is expected to increase to 9.2 percent (from 8.64 percent currently).
 - For each of the past two years, the smartschoolsplus, inc. program has been approved as a one-year program; however, some employees may perceive that the program will continue to be offered on a regular basis or for more than one year at a time.
 - Because participation in the smartschoolsplus, inc. program has declined since it was first initiated in 2004-2005, the District is now saving less money through the program.

- WESD has hired 180 teachers during the current year.
 - If the Governing Board approves IBN's 2013-2014 phased retirement recommendation, the Human Resources Department intends to immediately distribute program information to employees.
 - IBN members have not heard negative comments about the District's phased retirement program.
 - The Arizona Legislature may change parameters and laws related to phased retirement and the ACR.
 - WESD does hire staff from contract agencies.
- **Interests:** *the concerns, needs or desires underlying an issue*
IBN members discussed the following interests with respect to the issue of phased retirement:
 - Saving money
 - Providing the Human Resources Department a better sense of subsequent staffing needs
 - Providing benefits to employees that do not cost the District money
 - Retaining the best employees and having objective criteria for selecting them
 - Valuing veteran teachers
 - Maintaining a balance between experienced and inexperienced 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*
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 (2013-2014).
 - The program is intended for eligible employees who wish to work for WESD for only one more year.
 - At the end of 2013-2014, 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 will not be eligible to participate, per District Regulation GCQE-R.
 - There will 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 one or more years;

- have not received an *unsatisfactory* or *ineffective* performance rating on either of his or her two most recent evaluations;
 - 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, if applicable, 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 or hourly rate earned during his or her final year of employment with WESD. Overtime calculations, if applicable, will be based on the hourly rate earned by the program participant.
- 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 pay the Arizona State Retirement System 9.2 percent of the base salary earned by the program participant, as required for the alternative contribution rate.
- 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 or performance pay.
- Program participants will be eligible to receive stipends for additional work completed, if applicable; in such circumstances, WESD will pay the full current stipend amount to smartschoolsplus, inc. If earned, stipends will be paid to program participants on a quarterly basis. Participants must submit completed stipend paperwork within designated timeframes in order to ensure prompt payment.
- 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.
- The District may use the services of the phased retirement agency to fill position vacancies, and in doing so, must adhere to standard District protocol for working with any contract staffing agency.
 - An individual contracted through the phased retirement agency will receive 75 percent of the position base salary (or hourly rate), determined according to the District's new hire placement procedures.
 - An individual may be contracted through the phased retirement agency to begin work at any time during the fiscal year. Such flexibility in filling vacancies will support the District's efforts to meet ongoing educational and administrative needs.

- An individual who is to be contracted through the phased retirement agency must provide a copy of his or her two most recent performance evaluations as evidence that he or she received no *unsatisfactory* or *ineffective* performance ratings on either evaluation.

Recommendation:

It is recommended that the Governing Board authorize WESD to pursue a contract with smartschoolsplus, inc. for the 2013-2014 school year in accordance with the guidelines set forth in the Interest-Based Negotiations Team's straw design proposal.