



**GOVERNING BOARD AGENDA ITEM  
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

**DATE OF MEETING:**      **April 21, 2015**

**TITLE:**      **Approval of Compensation Meet and Confer Agreement and/or Compensation Terms for the 2015-2016 Fiscal Year for Certificated, Classified, Classified Exempt, Professional/Non-Teaching, Administrative, and Administrative Exempt Employee Groups**

**BACKGROUND:**

The joint District and Amphitheater Education Association Meet and Confer team recently met to develop of a recommendation for an employee compensation package for the 2015-2016 (next) fiscal year.

As in so many years past, the Meet and Confer teams had to complete their work in the reality of stark budget times, with a recently adopted State budget that provided modest budgetary increases that were eclipsed by simultaneous budget cuts. The amount of new funding for next year is more than exceeded by what the Legislature is taking away from the District budget next year. This reality, combined with others that include our increasing costs of operation (which the State budget has failed to support for so long) and our funding losses due to decreasing enrollment, create constraints that obviously affected the teams' capacity to make proposals for compensation increases. The following numbers help make this clear.

New funding to be received in FY 2016			Funding losses to be felt in FY 2016	
Prop 301 New Inflation	+ \$1,079,000		Cut of DAA (formerly, capital)	- \$1,670,600
One time 301 "back pay"	+ \$979,000		Cut of Stu Success Funding	- \$271,000
			Final Cut of Career Ladder	- \$680,000
			Cut of Override Capacity	- \$68,000
<b>Total new funds for next yr.</b>	<b>+ \$2,058,000</b>		Decreased Enrollment	- \$1,418,000
			Increasing Sp.Ed. Costs	- \$1,350,000
			<b>Total Cuts/Unfunded Costs</b>	<b>-\$5,457,600</b>

Despite year after year of cuts, the Amphitheater Governing Board has consistently strived to minimize, to every extent possible, the impact of budget cuts upon employees. While Amphitheater staff has certainly not received what the Board or the Meet and Confer teams might believe is appropriate, the earnest goal of all involved has always been to do the best possible under the circumstances given to us all.

It is perhaps important to remember that intentions for the best employee compensation package possible have not been a wholly unrealized ideal. Consider the following history of State budget cuts and pay packages corresponding to the last several fiscal years. This history of recommended packages from the Meet and Confer teams (adopted by the Governing Board) does evidence intentions to do our best in even the starkest of financial times.

Fiscal Yr.	Budget Cuts	Key Terms of Amphi Pay Packages
08-09	\$4,314,921	<ul style="list-style-type: none"> <li>• Pay increases ranged from 2.5% to 3.5%, depending on years of experience.</li> <li>• Increase of \$496 in District support of fringe benefits.</li> </ul>
09-10	\$5,208,175	<ul style="list-style-type: none"> <li>• Level Compensation (no increase or decrease)</li> </ul>
10-11	\$9,615,957	<ul style="list-style-type: none"> <li>• 2% Pay Reduction for all employees, which was later cancelled due to receipt of "Federal Stimulus" funding.</li> <li>• 3 days of furlough for some employees, which were also later cancelled due to Federal Stimulus funding.</li> </ul>
11-12	\$9,937,165	<ul style="list-style-type: none"> <li>• 0.9% Pay increase for all staff, which was later increased to approximately 1.9% after legislature's cut to retirement system was ruled unconstitutional.</li> <li>• Continued reversal of 10-11 reductions and furloughs.</li> </ul>
12-13	\$7,625,569	<ul style="list-style-type: none"> <li>• 3% pay increase, including "step movement" (2% raise) and 1% increase of the pay schedules.</li> </ul>
13-14	\$9,110,687	<ul style="list-style-type: none"> <li>• 3% raise for most staff, including "step movement" of 2% and 1% cost of living increase to pay schedules.</li> <li>• For employees at top of schedules: 1% cost of living adjustment plus a \$500 longevity stipend.</li> <li>• Increase health insurance contribution from \$268.77 to \$300.00 per month.</li> </ul>
14-15	\$9,110,106	<ul style="list-style-type: none"> <li>• 1.4% Increase through Step Movement on new pay schedules.</li> </ul>

As described under separate cover concerning the necessary Reduction in Force Plan for Fiscal Year 2016, the foregoing history was only possible through careful planning and the benefit of the Federal Stimulus Package some years ago. The continuation of cuts, funding losses and increased costs, however, now demands programmatic and staffing reductions in order to provide compensation increases. This will likely continue to be the case until the Legislature provides, at a minimum, the "back pay" of inflationary increases guaranteed to public schools by the express intention of the voters, which the Legislature has wrongly failed to provide.

The compensation package provided below barely provides Amphitheater employees with the ability to maintain a financial *status quo* as it does allow wages to keep pace with inflation. And, that is something.

**The Meet and Confer Teams' Recommendation  
for the 2015-2016 Compensation Package for the Certificated,  
Support (a.k.a., Classified), and Professional/Non-Teacher Employee Groups**

The package recommended to the Governing Board for all represented groups (Certificated, Support, and Professional/Non-Teaching) includes the following terms:

1. The provision of a one-time cost of living adjustment of 1.59% to all employees (on an annualized basis) which can currently only be recommended for next fiscal year given the fact that the Legislature has only provided sufficient budgetary capacity for next year.
2. The cost of living adjustment shall be divided into two equal payments, one to be provided at the end of each semester of next school year (2015-2016) to staff who are employed at the end of each semester, such payments to be adjusted on a pro-rata basis for FTE and start dates.
3. An increase of current District support for health insurance to ensure that individuals taking the lowest tier of coverage do not see an increase in out of pocket increases – an increase in District premium coverage of approximately \$251.40 annually, with all employees taking health insurance receiving the same amount.
4. A provision that if new funds are received following current budgetary assumptions and understandings, and those new funds can be used for compensation, the Meet and Confer teams will reconvene to consider potential for enhancement of these terms.

**The Superintendent's Recommendation  
for the 2015-2016 Compensation Package  
for the Classified Exempt Employee Group**

For the Classified Exempt group of employees, which is not represented by the Amphitheater Education Association, the Superintendent recommends the same terms and conditions for the group as described above.

**The Superintendent's Recommendation  
for the 2015-2016 Compensation Package  
for the Administrative and Administrative-Exempt Employee Groups**

For the Administrative employee groups, the Superintendent recommends the same cost of living adjustment proposed above. In the case of the Administrative-Exempt group (a.k.a., Senior Staff), however, he proposes each member of the group receive three (3) days of unpaid furloughs, which they have volunteered for, as a budgetary cost savings.

**Pending Ratification Process**

Following conclusion of the Meet and Confer process, the Amphitheater Education Association still had to proceed with its ratification process, whereby it puts the package recommendation to the represented groups for a vote. It is anticipated that the Association will present additional information on that process to the Governing Board at the April 21 meeting.

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**RECOMMENDATION:**

The Superintendent recommends approval of the recommended pay packages described above and in the attachment.

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**INITIATED BY:**



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Todd A. Jaeger, Associate to the Superintendent

Date: April 15, 2015



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Patrick Nelson, Superintendent