



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

DATE OF MEETING: **November 16, 2010**

TITLE: **Review of Federal Educational Jobs Bill Status; Study/Approval of Use of Funds to Mitigate 2% Pay Decrease and Eliminate Remaining Furlough Days**

BACKGROUND: On August 10, Congress passed the Keep Our Educators Working Act which provides \$10 billion to fund Medicaid and help states reverse, prevent or reduce education job reductions. The measure passed on a vote of 247-161. President Obama signed the bill into law the very same day.

According to Arizona legislative budget staffers, the bill includes approximately \$236 million in new Medicaid dollars for the state, and approximately \$208 million in education job funds. Arizona's receipt of the education funding was conditioned upon the State's application for the funds and satisfactory demonstration of intended use which would be consistent with the bill's maintenance of effort provisions. Governor Brewer applied for the funds on September 7¹. On September 13, the USDOE announced that Arizona would receive funding of \$211.8 million for education.

In information just released on November 10, the Governor's office has indicated that the state will retain 2% of the total funds for state administration.

In addition, there are predictions the state may offset as much of half of the funds intended for public schools in Arizona to "backfill" the funding which districts receive from the state this year. As long as this siphoning of funds would still meet the maintenance of effort tests set by USDOE, such "backfilling" is permissible under the law.

Funds must be used to retain existing staff, hire new staff, restore reductions in salaries and benefits, rehire "RIF'd" staff, implement salary increases, and eliminate previously scheduled furlough days.

We are presently still awaiting information on specifics as to how much the District will actually receive in funding or when that funding will be received.

Notably, with the funding still not in hand more than three months into the school year, and even the amount of funding to be expected still unknown, many school districts have already acknowledged their inability to use the funds to restore lost teaching jobs this year. With classes staffed and the school year well underway, the logistics of attempting mid-year changes for students and staff alike are difficult at best. As a consequence, many school districts are planning to use the funds to prevent future layoffs or mitigate pay reductions and furloughs for those who remain employed – something expressly permitted under the law.

The Superintendent proposes that Amphitheater use the funds received to mitigate, as much as possible given the actual amount of funding received, the 2% pay reductions and furloughs required to balance the District's budget for the current year. These pay reductions and furloughs were, of course, among many others made necessary to absorb state budget cuts, but they are some of the very few permitted as acceptable uses for the federal funds.

¹ The Governor's application for the funds is attached to this item.

At this point, the extent to which the District can mitigate these actions remains unclear, but it is hoped that more concrete information will be forthcoming in the near future.

RECOMMENDATION: The Superintendent proposes that the funds actually received be used in the following prioritized manner:

1. Restoration of the December 17 Furlough Day (restores lost day of pay and duties to majority of employees);
 2. Reversal, to maximum extent possible, of 2% pay reductions for all employees; and
 3. Restoration of the May 26 Furlough Day (restores lost day of pay and duties to majority of employees).
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INITIATED BY:



Todd A. Jaeger, Associate to the Superintendent

Date: November 8, 2010



Vicki Balentine, Ph.D., Superintendent