



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

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**DATE OF MEETING:** April 12, 2011

**TITLE:** Review and Approval of Compensation and Fringe Benefits Package for the 2011-2012 Fiscal Year for Administrative, Administrative Exempt, Certificated, Support, Support Exempt, and Professional Non-Teaching Employee Groups

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**BACKGROUND:** The Joint Meet-and-Confer Committee, composed of District administrators/managers representing the Governing Board and members of the Amphitheater Education Association representing various employee groups, recently concluded a series of meetings to discuss employee compensation and benefit terms for next (2011-2012) fiscal year.

The state budget cast a dark shadow over this year's meet and confer process. In years past, the Committee was at least able to propose a package which was premised on increases provided by Proposition 301 -- which guarantees inflation-indexed increases. As we know, however, the legislature has denied even that previously reliable source of funding. Beyond the denial of these traditionally available inflationary funds, the combined team grappled with the reality that nearly \$25,000,000 has been cut from the District's budgets in recent years, with yet more cuts to come for next year.

The cuts of years past have led to job losses and have prevented the District from helping employees keep financial pace with inflation and increasing costs for health care. Last year, the cuts also necessitated a compensation package that included a 2% pay *reduction* for all staff and three days of furlough for most staff. It was only through the District's receipt of federal Education Jobs Bill funding that it became possible to reverse much of those pay losses.

Next year, employees and the District will be facing an increase of 0.9% in Arizona State Retirement System rates. And, just days ago, the legislature passed and the Governor signed into law a bill which would shift a greater percentage of the total retirement contributions to employees. These ASRS increases represent, of course, increases in out of pocket costs for employees and will impact employees next fiscal year as take home pay reductions.

The Education Jobs Bill and the Federal Stimulus funds have enabled the District to minimize the impact of budget reductions in the last two years. Those funds end this year, creating funding "cliffs". Nonetheless, the impact of those temporary funds do make it possible for the District to stem, at least for next year, some of the impact of budget reductions for employees.

The Meet and Confer teams therefore recommend a package this year which includes slight "increases" to compensation that will only serve to cover the employee's state retirement contribution increases. In addition, the package recommends continuing the reversal of the 2% pay reduction and furlough days.

Recognizing the uncertainties existing at the time the attached proposal was crafted, both parties agreed that the Meet and Confer team might need to reconvene in the future – if new funding of more than \$100,000 results.

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**RECOMMENDATION:** The Administration recommends that the Governing Board approve the Compensation and Fringe Benefits Package for the 2011-2012 Fiscal Year as described above and in the attached, signed agreement of the Joint Meet and Confer Committee. All members of the committee, whose names are listed in the attachment, are thanked for their dedication and effort, particularly in these very difficult times.

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**INITIATED BY:**



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Todd A. Jaeger, Associate to the Superintendent

Date: April 8, 2011



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Vicki Balentine, Ph.D., Superintendent