



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

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**DATE OF MEETING:**       **March 11, 2014**

**TITLE:**       **Approval of Compensation Meet and Confer Agreement and Compensation Terms for the 2014-2015 Fiscal Year for Certificated, Classified, Classified Exempt, Professional/Non-Teaching, Administrative, and Administrative Exempt Employee Groups (AMENDED 3/7/14).**

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**BACKGROUND:** On March 6, 2014, the joint District and Amphitheater Education Association Meet and Confer teams met for a final conference regarding development of a recommendation for an employee compensation package for the 2014-2015 fiscal year.

As in so many years past, the meet and confer teams had to complete their work in a vacuum-like reality – one devoid of a completed state education budget, but more to the point a current budget reality which is already clearly indicating that when a final state budget is determined, it will again be lacking the level of support necessary to adequately compensate district staff and meet other district needs.

The current proposed budget from the Governor’s office includes an increase over current funding to school districts of only 1.4% (approximately \$800,000 for Amphi) -- just keeping pace with inflation for one year and making no provision for rectifying previous budgets that the Arizona Supreme Court has ruled shortchanged districts for inflation in violation of law.

Moreover, the Governor’s proposal would seemingly take back with the left hand what it gives with the right, because she proposes districts pay pack \$15 per student (approximately \$210,000 for Amphi) from the 1.4% increase to help the state pay for statewide school technology infrastructure – infrastructure which, frankly, Amphitheater Public Schools has already put in place for its schools, thanks to voter-approved bonds.

This kind of financial backdrop has, no less than tragically, been the norm in Arizona for several years. Since 2008, Arizona’s public school districts have experienced year after year of budget cuts and have at the same time been required to meet growing curricular, fiscal, staff and physical plant mandates.

Over that same period of time, however, the Amphitheater Governing Board has worked 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 both groups has consistently been to do the best possible under the circumstances given to us all.

This year, the meet and confer teams again grappled with a growing sense of frustration long past déjà vu: believing (like the Governing Board) that more *should* be done, but knowing that more cannot be done without a change in state budget support of public education.

It is perhaps important to note that intentions for the best employee compensation package possible have not been a wholly unrealized ideal in recent years, but have been given form. 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.

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Fiscal Yr.	State Legislature Cuts to Amphi's Annual Budget	AUSD Pay Package: Key Terms
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>• "Benefits Bucks" (old cafeteria plan) increased from \$295.00 to \$791.00</li> </ul>
09-10	\$5,208,175	<ul style="list-style-type: none"> <li>• Level Compensation (no increase or decrease)</li> </ul>
10-11 <sup>1</sup>	\$9,615,957	<ul style="list-style-type: none"> <li>• 2% Pay Reduction for all employees</li> <li>• 3 days of furlough for some employees; 5 days of furlough for senior staff</li> <li>• Shift of "Benefit Bucks" to Health Insurance specifically.</li> <li>• The 2% pay reductions were later reversed, as were furloughs (days for staff other than senior staff , due to receipt of "Federal Stimulus" dollars</li> </ul>
11-12	\$9,937,165	<ul style="list-style-type: none"> <li>• 0.9% Pay increase for all staff.</li> <li>• Continued reversal of 10-11 reductions and furloughs.</li> <li>• Approx. 1% additional pay increase later added after mid-year state retirement changes.</li> </ul>
12-13	\$7,625,569	<ul style="list-style-type: none"> <li>• 3% pay increase, inclusive of "step movement (2% raise) and 1% increase to the pay schedules made permanent.</li> </ul>
13-14	\$9,110,687	<ul style="list-style-type: none"> <li>• 3% raise for most staff, inclusive of "step movement" of 2% and 1% cost of living increase to pay schedules.</li> <li>• For employees at top of schedule: 1% COLA plus \$500 longevity stipend.</li> <li>• Increased health insurance contribution from \$268.77 to \$300.00 per month.</li> </ul>

**The Meet and Confer Teams' Recommendation  
for the 2014-2015 Compensation Package for the Certificated,  
Support (a.k.a., Classified), and Professional/Non-Teacher Employee Groups**

For next fiscal year, **with an increase of only \$800,000 in base support level funding (less the \$210,000 charge for technology infrastructure for the state) and massive continuing cuts in other parts of the District's budget**, the combined meet and confer teams are proposing a package that must again be based on the reality given to us all. With so little to work with, the teams focused on how best to respond to the varied concerns which staff cite with respect to compensation. There are, of course, several options for how such limited funding can be put to purpose, but the teams have agreed the package attached to this item offers the best option. The package thus recommended to the Governing Board for all represented groups (certificated, support, and professional/non-teaching includes the following terms:

1. Employees will receive step movement via placement on new and parallel salary schedules for next year. Movement to the next higher step would result in a 1.4% increase in pay over the current year for those eligible for step movement. The new, resulting salary schedule, however, would still ensure

<sup>1</sup> The compensation package developed for 2010-2011, after three years of increasing budget cuts, was ultimately not the result of a meet and confer *agreement*. Frankly, it was difficult for the teams to *agree* to pay reductions and furloughs, though the package that was adopted by the Board was certainly developed through the meet and confer process. After adopting this stark package for that fiscal year, the Governing Board also reversed most of its terms and its effects upon employees after the District received Federal Budget Stimulus funds which could be used to do so.

for 2% increases between steps in the future. Step A, on both the current and resulting pay schedule, will remain the same, and those on the top step of each salary schedule would receive one-time stipend increases equal to 1.4%.

2. The District will maintain current premium supports of fringe benefit programs. Eligibility for benefits next fiscal year, however, will require a minimum of 30 hours of work per workweek, in accordance with The Affordable Care Act (ACA) (a.k.a., “Obama Care”). This would affect a few dozen employees working less than 30 hours who were previously “grandfathered” and protected from this requirement. Those employees would have the option of seeking additional work hours necessary to meet the 30 hour requirement or obtain coverage through the ACA Marketplace. In reality, the grandfathering provision would operate to deprive the affected staff of less costly and more beneficial options under the ACA that include subsidies.
3. The District and AEA must work together to develop and execute communication strategies which will increase public awareness of the financial crisis facing public education in Arizona.
4. If new or currently unanticipated monies are received by the District which can be used for staff compensation, the Meet and Confer teams must reconvene to provide additional recommendations to the Governing Board on how to best utilize those funds.

**The Superintendent’s Recommendation  
for the 2014-2015 Compensation Package  
for the Classified Exempt Employee Group**

The Classified Exempt group of employees is not represented by the Amphitheater Education Association. The Superintendent recommends “me too” language for the group, however, as those employees are on the same salary schedule as the ESP (a.k.a., Classified) employee group. The group would be compensated on the same package terms for next year.

**The Superintendent’s Recommendation  
for the 2014-2015 Compensation Package  
for the Administrative and Administrative-Exempt Employee Groups**

For the last several years, the Superintendent’s recommendation for administration has been equivalent to that offered other employee groups, but simplified to percentage pay increases. The Superintendent again proposes a simplified approach to compensation for these groups, which results in the same net effect – a 1.4% increase over current pay (but no step movement).

**Pending Ratification Process**

Following conclusion of the meet and confer process on the evening of March 6, 2014, 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 March 11 meeting.

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**RECOMMENDATION:** The Administration recommends approval of the recommended pay packages described above and in the attachments.

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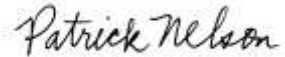
**INITIATED BY:**



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Todd A. Jaeger, Associate to the Superintendent

Date: March 7, 2014



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Patrick Nelson, Superintendent