

# Salary Increase Scenarios

May 22, 2018

Renee Weatherless  
Executive Director, Finance

# Additional Funding for Teacher Salaries

<b>New Teacher Funding</b>	<b>\$11,295,903</b>
<b>New District Add'l. Assistance</b>	<b><u>\$ 3,800,000</u></b>
<b>Total</b>	<b>\$15,095,903</b>

# Scenario 1 – Step 1 Teacher Pay \$40k

		Amount (incl. benefits)
Teachers (TDR A)	\$3,400	11,561,864
Other Certified (TDR B)	\$2500 + Step \$500	1,209,528
TEA Consensus OT/PT	1%	79,059
AFSCME	3%	845,153
CWA	1%	142,154
White Collar	3%	1,455,883
Non-Bargaining Other	1%	130,719
Non-Bargaining Crossing Guards/School Monitors	3%	<u>80,253</u>
Total		15,504,614
New Funding		<u>15,095,903</u>
Variance		(408,711)

# Scenario 1 – Step 1 Teacher Pay \$40k

Step	TDR(A) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301
Step 1	\$32,300	\$35,700	\$3,400	11%
Step 2	\$32,800	\$36,200	\$3,400	10%
Step 3	\$33,300	\$36,700	\$3,400	10%
Step 4	\$33,800	\$37,200	\$3,400	10%
Step 5	\$34,300	\$37,700	\$3,400	10%
Step 10	\$36,800	\$40,200	\$3,400	9%
Step 20	\$41,800	\$45,200	\$3,400	8%
Step 30	\$46,800	\$50,200	\$3,400	7%

# Scenario 1 – Step 1 Teacher Pay \$40k

Step	TDR(A) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301	301 Suppl. Base/ Menu	Total Salary	301 Perf Pay	Step from 301	% Increase Incl. 301
Step 1	\$32,300	\$35,700	\$3,400	11%	\$4,300	\$40,000	\$2,670	\$500	13%
Step 2	\$32,800	\$36,200	\$3,400	10%	\$4,300	\$40,500	\$2,670	\$500	12%
Step 3	\$33,300	\$36,700	\$3,400	10%	\$4,300	\$41,000	\$2,670	\$500	12%
Step 4	\$33,800	\$37,200	\$3,400	10%	\$4,300	\$41,500	\$2,670	\$500	12%
Step 5	\$34,300	\$37,700	\$3,400	10%	\$4,300	\$42,000	\$2,670	\$500	12%
Step 10	\$36,800	\$40,200	\$3,400	9%	\$4,300	\$44,500	\$2,670	\$500	11%
Step 20	\$41,800	\$45,200	\$3,400	8%	\$4,300	\$49,500	\$2,670	\$500	10%
Step 30	\$46,800	\$50,200	\$3,400	7%	\$4,300	\$54,500	\$2,670	\$500	9%

*\*Revised 5/22/18*

## Scenario 2 – Apply \$11M to Teachers and \$3.8M to All Other Non-Admin Staff

		Amount (incl. benefits)
Teachers (TDR A)	\$3,000	10,201,645
Other Certified (TDR B)	\$2500 + Step \$500	1,209,528
TEA Consensus OT/PT	2%	*158,019
AFSCME	4%	1,126,870
CWA	2%	284,308
White Collar	4%	1,941,177
Non-Bargaining Other	2%	261,438
Non-Bargaining Crossing Guards/School Monitors	4%	<u>107,004</u>
Total		*15,289,990
New Funding		<u>15,095,903</u>
Variance		*(194,087)

## Scenario 2 – Apply \$11M to Teachers and \$3.8M to All Other Non-Admin Staff

Step	TDR(A) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301
Step 1	\$32,300	\$35,300	\$3,000	9%
Step 2	\$32,800	\$35,800	\$3,000	9%
Step 3	\$33,300	\$36,300	\$3,000	9%
Step 4	\$33,800	\$36,800	\$3,000	9%
Step 5	\$34,300	\$37,300	\$3,000	9%
Step 10	\$36,800	\$39,800	\$3,000	8%
Step 20	\$41,800	\$44,800	\$3,000	7%
Step 30	\$46,800	\$49,800	\$3,000	6%

## Scenario 2 – Apply \$11M to Teachers and \$3.8M to All Other Non-Admin Staff

Step	TDR(A) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301	301 Suppl. Base/ Menu	Total Salary	301 Perf Pay	Step from 301	% Increase Incl. 301
Step 1	\$32,300	\$35,300	\$3,000	9%	\$4,300	\$39,600	\$2,670	\$500	11%
Step 2	\$32,800	\$35,800	\$3,000	9%	\$4,300	\$40,100	\$2,670	\$500	11%
Step 3	\$33,300	\$36,300	\$3,000	9%	\$4,300	\$40,600	\$2,670	\$500	11%
Step 4	\$33,800	\$36,800	\$3,000	9%	\$4,300	\$41,100	\$2,670	\$500	11%
Step 5	\$34,300	\$37,300	\$3,000	9%	\$4,300	\$41,600	\$2,670	\$500	11%
Step 10	\$36,800	\$39,800	\$3,000	8%	\$4,300	\$44,100	\$2,670	\$500	10%
Step 20	\$41,800	\$44,800	\$3,000	7%	\$4,300	\$49,100	\$2,670	\$500	9%
Step 30	\$46,800	\$49,800	\$3,000	6%	\$4,300	\$54,100	\$2,670	\$500	8%



## Scenario 3 – 9% to all Certified TDR A & B and balance to Non-Admin Staff

		Amount (incl. benefits)
Teachers (TDR A)	9%	11,796,645
Other Certified (TDR B)	9%	1,591,728
TEA Consensus OT/PT	1%	79,059
AFSCME	2%	563,435
CWA	1%	142,154
White Collar	2%	970,589
Non-Bargaining Other	1%	130,719
Non-Bargaining Crossing Guards/School Monitors	2%	<u>53,502</u>
Total		15,327,831
New Funding		<u>15,095,903</u>
Variance		(231,928)

## Scenario 3 – 9% to all Certified TDR A & B and balance to Non-Admin Staff

Step	TDR(A) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301
Step 1	\$32,300	\$35,207	2,907	9%
Step 2	\$32,800	\$35,752	2,952	9%
Step 3	\$33,300	\$36,297	2,997	9%
Step 4	\$33,800	\$36,842	3,042	9%
Step 5	\$34,300	\$37,387	3,087	9%
Step 10	\$36,800	\$40,112	3,312	9%
Step 20	\$41,800	\$45,562	3,762	9%
Step 30	\$46,800	\$51,012	4,212	9%

## Scenario 3 – 9% to all Certified TDR A & B and balance to Non-Admin Staff

Step	TDR(A) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301	301 Suppl. Base/ Menu	Total Salary	301 Perf Pay	Step from 301	% Increase Incl. 301
Step 1	\$32,300	\$35,207	2,907	9%	\$4,300	\$39,507	\$2,670	\$500	11%
Step 2	\$32,800	\$35,752	2,952	9%	\$4,300	\$40,052	\$2,670	\$500	11%
Step 3	\$33,300	\$36,297	2,997	9%	\$4,300	\$40,597	\$2,670	\$500	11%
Step 4	\$33,800	\$36,842	3,042	9%	\$4,300	\$41,142	\$2,670	\$500	11%
Step 5	\$34,300	\$37,387	3,087	9%	\$4,300	\$41,687	\$2,670	\$500	11%
Step 10	\$36,800	\$40,112	3,312	9%	\$4,300	\$44,412	\$2,670	\$500	11%
Step 20	\$41,800	\$45,562	3,762	9%	\$4,300	\$49,862	\$2,670	\$500	11%
Step 30	\$46,800	\$51,012	4,212	9%	\$4,300	\$55,312	\$2,670	\$500	11%

## Scenario 3 – 9% to all Certified TDR A & B and balance to Non-Admin Staff

Step	TDR(B) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301
Step 1	\$34,900	\$38,041	\$3,141	9%
Step 2	\$35,400	\$38,586	\$3,186	9%
Step 3	\$35,900	\$39,131	\$3,231	9%
Step 4	\$36,400	\$39,676	\$3,276	9%
Step 5	\$36,900	\$40,221	\$3,321	9%
Step 10	\$39,400	\$42,946	\$3,546	9%
Step 20	\$44,400	\$48,396	\$3,996	9%
Step 30	\$49,400	\$53,846	\$4,446	9%

## Scenario 4 – Certified TDR A & B +\$3,000 and +5% to Non-Admin Staff

		Amount (incl. benefits)
Teachers (TDR A)	\$3,000	10,201,645
Other Certified (TDR B)	\$2500 + Step \$500	1,209,528
TEA Consensus OT/PT	5%	395,297
AFSCME	5%	1,408,588
CWA	5%	710,771
White Collar	5%	2,426,471
Non-Bargaining Other	5%	653,595
Non-Bargaining Crossing Guards/School Monitors	5%	<u>133,755</u>
Total		17,139,651
New Funding		<u>15,095,903</u>
Variance		(2,043,748)

## Scenario 4 – Certified TDR A & B +\$3,000 and +5% to Non-Admin Staff

Step	TDR(A) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301
Step 1	\$32,300	\$35,300	\$3,000	9%
Step 2	\$32,800	\$35,800	\$3,000	9%
Step 3	\$33,300	\$36,300	\$3,000	9%
Step 4	\$33,800	\$36,800	\$3,000	9%
Step 5	\$34,300	\$37,300	\$3,000	9%
Step 10	\$36,800	\$39,800	\$3,000	8%
Step 20	\$41,800	\$44,800	\$3,000	7%
Step 30	\$46,800	\$49,800	\$3,000	6%

## Scenario 4 – Certified TDR A & B +\$3,000 and +5% to Non-Admin Staff

Step	TDR(A) Base	New Base	\$ Increase Excl. 301	% Increase Excl. 301	301 Suppl. Base/ Menu	Total Salary	301 Perf Pay	Step from 301	% Increase Incl. 301
Step 1	\$32,300	\$35,300	\$3,000	9%	\$4,300	\$39,600	\$2,670	\$500	11%
Step 2	\$32,800	\$35,800	\$3,000	9%	\$4,300	\$40,100	\$2,670	\$500	11%
Step 3	\$33,300	\$36,300	\$3,000	9%	\$4,300	\$40,600	\$2,670	\$500	11%
Step 4	\$33,800	\$36,800	\$3,000	9%	\$4,300	\$41,100	\$2,670	\$500	11%
Step 5	\$34,300	\$37,300	\$3,000	9%	\$4,300	\$41,600	\$2,670	\$500	11%
Step 10	\$36,800	\$39,800	\$3,000	8%	\$4,300	\$44,100	\$2,670	\$500	10%
Step 20	\$41,800	\$44,800	\$3,000	7%	\$4,300	\$49,100	\$2,670	\$500	9%
Step 30	\$46,800	\$49,800	\$3,000	6%	\$4,300	\$54,100	\$2,670	\$500	8%

*\*Revised 5/22/18*

# Summary of All Scenarios

	1 – Teacher Step 1 \$40k	Amount (incl. benefits)	2 –11M Teacher 3.8M Staff	Amount (incl. benefits)	3 – 9% Teacher Bal. to Staff	Amount (incl. benefits)	4 – Teachers + 5% Staff	Amount (incl. benefits)
Teachers (TDR A)	\$3,400	11,561,864	\$3,000	10,201,645	9%	11,796,645	\$3,000	10,201,645
Other Certified (TDR B)	\$2500 + Step \$500	1,209,528	\$2500 + Step \$500	1,209,528	9%	1,591,728	\$2500 + Step \$500	1,209,528
TEA Consensus OT/PT	1%	79,059	2%	*158,019	1%	79,059	5%	395,297
AFSCME	3%	845,153	4%	1,126,870	2%	563,435	5%	1,408,588
CWA	1%	142,154	2%	284,308	1%	142,154	5%	710,771
White Collar	3%	1,455,883	4%	1,941,177	2%	970,589	5%	2,426,471
Non-Bargaining Other	1%	130,719	2%	261,438	1%	130,719	5%	653,595
Non-Bargaining Crossing Guards/School Monitors	3%	<u>80,253</u>	4%	<u>107,004</u>	2%	<u>53,502</u>	5%	<u>133,755</u>
Total		15,504,614		*15,289,990		15,327,831		17,139,651
New Funding		<u>15,095,903</u>		<u>15,095,903</u>		<u>15,095,903</u>		<u>15,095,903</u>
Variance		(408,711)		*(194,087)		(231,928)		(2,043,748) <sup>16</sup>



# Impact on Budget Priorities

*\*Revised 5/22/18*

## **Wage initiatives will be embedded within Pay Increase Scenarios:**

- ✓ **Address the Minimum Wage requirements from \$10.50 to \$11.00**
- ✓ **Step increase for all employees**
- ✓ **Bus Driver compensation**

## **Funded from other existing funding sources:**

- ✓ **Expand Music/Performing Arts + \*4 FTE from Fund 013**
- ✓ **7<sup>th</sup> Period Day from Deseg funds**
- ✓ **Reinvigorating libraries from existing capital allocation**

## **Not implementing:**

- X **Address Compression resulting from Minimum Wage increase**
- X **Decrease Counselor Staffing ratios**
- X **Social Workers**
- X **Ex Ed Recruitment Stipends**

## Legislative Intent

- “The basic state aid appropriation for fiscal year 2018-2019 includes \$273,706,100, which the Legislature and Governor intend to be used for teacher salary increases.”
- “It is the intent of the Governor and the Legislature that school districts should increase the total percentage of classroom spending over the previous year’s percentages in the combined categories of instruction, student support and instructional support as prescribed by the Auditor General.”
- “A school district or other entity that receives additional funding in fiscal years 2018-2019, 2019-2020, and 2020-2021 as a result of this act may use the additional monies for increased teacher compensation in fiscal years 2018-2019, 2019-2020, and 2020-2021.”

School boards will need to balance various factors when determining how to increase teacher compensation.

- Existing class sizes and the possible need to hire more teachers
- Teacher turnover, especially among new teachers
- Increase by a percentage or a specific amount
- Increasing costs of health care benefits

**School boards should be transparent in their decision making so that teachers, staff, parents and the community know how teacher compensation is fitting the needs of students.**

## Possible Definitions of Teacher

- HB2663 does not define “teacher”
- Three possible definitions of “teacher”:
  - FY2018 budget definition— Any person eligible to be included as a teacher on a district’s FTE count submitted with its annual financial report, whose salary was paid under function code 1000 (Instruction)
  - Statutory Definition in A.R.S. 15-901(B)(5) “Certified teacher” means a person who is certified as a teacher pursuant to the rules adopted by the state board of education, who renders **direct and personal services to schoolchildren in the form of instruction** related to the school district’s educational course of study and who is paid from the maintenance and operation section of the budget.

## Possible Definitions of Teacher, cont'd

- Classroom Site Fund Definition [A.G. Opinion I01-014](#)—“teacher” not limited to traditional classroom teachers. “School districts and charter schools may use such funds for compensation increases for certified or certificated teachers and others employed to provide instruction to students related to the school's educational mission.” An employee who receives base compensation from Prop. 301 monies would also be eligible to receive a salary increase as a teacher.
- Boards would likely meet the Legislature’s intent by using any of these three.



## Additional Reporting Requirements

- Applies to both districts and charters
- ADE and AG will update budget worksheets to reflect changes
- In addition, districts and charters are required to post on their websites:
  - Average salary of all teachers employed for the current year
  - Average salary of all teachers employed for the previous year
  - The dollar increase in the average salary of all teachers
  - The percentage increase in the average salary of all teachers
- ADE will report teacher salary information to the Legislature (JLBC) and the Governor's Office by November 30<sup>th</sup>.

