



Setting Administrator Salaries in Uncertain Times

RCW 28A.400.315 Employment contracts.

Employment contracts entered into between an employer and a superintendent, or administrator as defined in RCW [28A.405.230](#), under RCW [28A.400.010](#), [28A.400.300](#), or [28A.405.210](#):

(1) Shall end no later than June 30th of the calendar year that the contract expires except that, a contract entered into after June 30th of a given year may expire during that same calendar year; and

(2) Shall not be revised or entered into retroactively.

Historically, administrator salary increases have, in part, reflected state funded COLAs provided to other school employees. With the prospect of changing or even eliminating current Salary Allocation Models, data needed to calculate fair adjustment to administrator salaries may be delayed for months. RCW 28A.400.315 effectively establishes a deadline of July 1 for setting administrator compensation. WASA has enlisted legal recommendations for sample contract language, Board resolutions and Memoranda of Understanding intended to extend the time for final compensation decisions until a legislative solution for school funding is reached. Paul Clay of Stevens | Clay PS has responded to WASA's request providing the enclosed sample language for administrator and board consideration.

Paul acknowledges the contributions of Clifford Foster, Jr. and Lester "Buzz" Porter, Jr. of Porter Foster Rorick LLP for their contributions to this effort as well. WASA expresses a debt of thanks to Paul and all who participated in this effort.

Disclaimer: WASA does not provide legal services or advice to school districts. District leaders are encouraged to seek professional legal advice prior to adopting any version of the sample language offered on the following pages.

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INTENT: The following verbiage is intended to be included in individual employee contracts. The employee contract language on this page is dependent upon supportive documentation through Board Resolution (unrepresented administrators) or Memorandum of Understanding (represented administrators) offered on subsequent pages.

INDIVIDUAL CONTRACT PROVISION

Superintendent and Unrepresented Administrators

1. COMPENSATION: In consideration of employee's performance under this contract, the [Superintendent's/Administrator's] salary shall be set according to the attached School Board Resolution. The compensation provided in this Contract may be revised pursuant to said Board Resolution.

INDIVIDUAL CONTRACT PROVISION

Represented Administrators

1. COMPENSATION: The Employees salary shall be set according to the attached Memorandum of Understanding ("MOU"). The compensation provided in this Contract may be revised pursuant to said MOU.

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Intent: The following MOU is proposed as a “risk adverse” option for represented administrators. Any enhancement of salaries provided in this sample would pertain to the months remaining of the contract once adopted. For instance: a 4% raise adopted in September would affect only the remaining 9 months of the contract and would have the effect of a 3% raise over the contract year.

OPTION 1 – MOU FOR REPRESENTED ADMINISTRATORS - Prospective Only Model

MEMORANDUM OF UNDERSTANDING

Between

_____ Principals’ Association

AND

_____ School District

The District and Association agree to a salary schedule for the next school year for represented members of the _____ Association, per the following terms.

1. ADOPTION AND BIFURCATION OF SALARY SCHEDULE

The salary schedule for _____ Association for 2017-18 shall be in the form of Exhibit A and shall be bifurcated as explained herein. For the period beginning July 1, 2017 until such time as the parties have been able to review the type of information listed below and determine whether to make any adjustments to salaries or other forms of compensation, it shall be as set forth in the attached Exhibit A (“Initial Salary Schedule”). The parties anticipate it is likely the Initial Salary Schedule will be in effect no less than 2 or 3 months.

2. ADJUSTMENT OF SALARY SCHEDULE

In determining whether to adjust Exhibit A for the year beginning July 1, the parties desire to review:

- The level of revenue the District is projected to receive from all sources in 2017-18, after the final state budget is passed;
- the results of salary surveys and other compensation related planning and other information from comparable in-State school districts;
- the level of allocations in the state budget that are earmarked for members of District bargaining units and the outcome of any negotiations with -such bargaining units; and
- Salary compression that may have been created as a result of any such increases or allocations.

Such information will not be available on or before July 1;

After the parties have had time to adequately review the type of data listed above, they may decide to make adjustments to and reserve the right to make adjustments to either the Initial Salary Schedule or other forms of

compensation for the balance of the contract year. In no event shall salaries or other compensation be reduced at the time of such adjustments.

3. TOTAL COMPENSATION NOT SETTLED OR LIQUIDATED

Total compensation for the contract year is currently not a settled or liquidated amount, because it is uncertain whether there will be increases for the latter part of the contract year, based on the parties' negotiations after reviewing the data listed above.

4. INDIVIDUAL CONTRACTS

All initial contracts issued to employees subject to this MOU shall include a provision stating the compensation provided in the contract may be revised pursuant to this MOU.

5. EFFECTIVE DATE

This MOU shall be in effect upon execution of all signatures, and shall remain in effect until August 31, 2017 and shall be attached to the current Collective Bargaining Agreement.

FOR THE ASSOCIATION:

President,
_____ Association

Date

FOR THE DISTRICT:

Superintendent

Date

Intent: The following MOU is proposed as a “higher risk” option for represented administrators. Any enhancement of salaries provided in this sample would pertain to all months of the current contract year once adopted.

**OPTION TWO – MOU FOR REPRESENTED ADMINISTRATORS
Effective July 1 Model**

MEMORANDUM OF UNDERSTANDING

Between

_____ Principals’ Association

AND

_____ School District

The District and Association agree to a salary schedule for the next school year for represented members of the _____ Association, per the following terms.

1. ADOPTION OF TENTATIVE SALARY SCHEDULE

The 2016-17 salary schedule attached as Exhibit A is hereby agreed upon by the parties with a ___% increase for each listed Step effective July 1, as the Tentative 2017-18 Salary Schedule.

The Tentative 2017-18 Salary Schedule is subject to further adjustment on or after July 1, 2017 because the parties desire to consider additional information, such as listed below, that is not yet available before deciding whether to adjust salary or other forms of compensation to members of the Association, which if adopted, will be effective as of July 1, 2017.

2. ADJUSTMENT OF TENTATIVE SALARY SCHEDULE

In determining whether to adjust Exhibit A for the year beginning July 1, the parties desire to review:

- The level of revenue the District is projected to receive from all sources in 2017-18, after the final state budget is passed;
- the results of salary surveys and other compensation related planning and other information from comparable in-State school districts;
- the level of allocations in the state budget that are earmarked for members of District bargaining units and the outcome of any negotiations with -such bargaining units; and
- Salary compression that may have been created as a result of any such increases or allocations.

Such information will not be available on or before July 1;

3. TOTAL COMPENSATION NOT SETTLED OR LIQUIDATED

The salary, compensation or benefits amounts for members of the Association are not settled or liquidated as of July 1, 2017 and the parties reserve the right to make adjustments effective as of that date for work performed on or after July 1, 2017 following review of the type of data listed above.

4. DEFERRED COMPENSATION

Such adjustments as described above for the period beginning July 1 until the date of the adjustment, shall be in the nature of deferred compensation for the employees, who until the date the adjustment occurs will be working without being certain of their final level of salary and other forms of compensation for 2017-18. Employees must continue working at least one month after the date of the adjustment to be eligible to receive the “deferred compensation”, which shall be paid as a lump sum.

5. INDIVIDUAL CONTRACTS

All initial contracts issued to employees subject to this MOU shall include a provision stating the compensation provided in the contract may be revised pursuant to this MOU.

6. EFFECTIVE DATE

This MOU shall be in effect upon execution of all signatures, and shall remain in effect until August 31, 2017 and shall be attached to the current Collective Bargaining Agreement.

FOR THE ASSOCIATION:

FOR THE DISTRICT:

President,
_____ Association

Superintendent

Date

Date

Intent: The following Board Resolution is proposed as a “risk adverse” option for unrepresented administrators. Any enhancement of salaries provided in this sample would pertain to the months remaining of the contract once adopted. For instance: a 4% raise adopted in September would affect only the remaining 9 months of the contract and would have the effect of a 3% raise over the contract year.

OPTION 1 – RESOLUTION FOR UNREPRESENTED ADMINISTRATORS

Prospective Only Model

_____ SCHOOL DISTRICT

BOARD OF DIRECTORS RESOLUTION NO. _____

WHEREAS, the Board of Directors annually sets the salary schedule for the next school year for unrepresented central office personnel on or before July 1 of each year; and

WHEREAS, before determining whether to adjust the salary schedule compensation for said unrepresented personnel for the year beginning July 1, the Board desires to review:

- The level of revenue the District is projected to receive from all sources in 2017-18, after the final state budget is passed;
- the results of salary surveys and other compensation related planning and other information from comparable in-State school districts;
- the level of allocations in the state budget that are earmarked for members of District bargaining units and the outcome of any negotiations with -such bargaining units; and
- Salary compression that may have been created as a result of any such increases or allocations.

WHEREAS, all such information will not be available on or before July 1;

NOW, THEREFORE, BE IT RESOLVED that:

1. ADOPTION AND BIFURCATION OF SALARY SCHEDULE

The salary schedule for unrepresented central office personnel for 2017-18 shall be adopted and bi-furcated as explained herein. For the period beginning July 1, 2017 until such time as the Board has been able to review the type of information listed above and determine whether to make any adjustments to salaries or other forms of compensation, it shall be as set forth in the attached Exhibit A (“Initial Salary Schedule”). The Board anticipates it is likely the Initial Salary Schedule will be in effect no less than 2 or 3 months.

2. ADJUSTMENTS TO SALARY SCHEDULE

After the Board has had time to adequately review the type of data listed above, it might decide to make adjustments to and reserves the right to make adjustments to either the Initial Salary Schedule or other forms of compensation for the balance of the contract year. In no event shall salaries or other compensation be reduced at the time of such adjustments.

3. TOTAL COMPENSATION NOT SETTLED OR LIQUIDATED

Total compensation for the contract year is currently not a settled or liquidated amount, because it is uncertain whether there will be increases for the latter part of the contract year, based on the Board's determination after reviewing the data listed above.

4. INDIVIDUAL CONTRACTS

All initial individual contracts issued to employees subject to this Resolution shall include a provision stating the compensation provided in the contract may be revised pursuant to this Board Resolution.

DATED this ___ day of _____ 2017.

_____, President

_____, Vice President

_____, Member

_____, Member

_____, Member

ATTEST:

Secretary to the Board

Intent: The following Board Resolution is proposed as a “higher risk” option for unrepresented administrators. Any enhancement of salaries provided in this sample would pertain to all months of the current contract year once adopted.

OPTION TWO – RESOLUTION FOR UNREPRESENTED ADMINISTRATORS

Effective July 1 Model

_____ SCHOOL DISTRICT

BOARD OF DIRECTORS RESOLUTION NO. _____

WHEREAS, the Board of Directors annually sets the salary schedule for the next school year for unrepresented central office personnel on or before July 1 of each year; and

WHEREAS, before determining whether to adjust the salary schedule compensation for said unrepresented personnel for the year beginning July 1, the Board desires to review:

- The level of revenue the District is projected to receive from all sources in 2017-18, after the final state budget is passed;
- the results of salary surveys and other compensation related planning and other information from comparable in-State school districts;
- the level of allocations in the state budget that are earmarked for members of District bargaining units and the outcome of any negotiations with -such bargaining units; and
- Salary compression that may have been created as a result of any such increases or allocations.

WHEREAS, all such information will not be available on or before July 1;

NOW, THEREFORE, BE IT RESOLVED that:

1. ADOPTION OF TENTATIVE SALARY SCHEDULE

The 2016-17 salary schedule attached as Exhibit A is hereby adopted for unrepresented central office personnel with a ___% increase for each listed Step effective July 1, as the Tentative 2017-18 Salary Schedule.

The Tentative 2017-18 Salary Schedule is subject to further adjustment on or after July 1, 2017 because the Board desires to consider additional information, such as listed above, that is not yet available before deciding whether to grant adjustments to salary or other forms of compensation to such personnel, which if adopted, will be effective as of July 1, 2017.

2. TOTAL COMPENSATION NOT SETTLED OR LIQUIDATED

The salary, compensation or benefits amounts for such personnel are not settled or liquidated as of July 1, 2017 and the Board reserves the right to make adjustments effective as of that date for work performed on or after July 1, 2017 following review of the type of data listed above.

3. DEFERRED COMPENSATION

Such adjustments as described above for the period beginning July 1 until the date of the adjustment, shall be in the nature of deferred compensation for the employees, who until the date the adjustment occurs will be working without being certain of their final level of salary and other forms of compensation for 2017-18. Employees must continue working at least one month after the date of the adjustment to be eligible to receive the “deferred compensation”, which shall be paid as a lump sum.

4. INDIVIDUAL CONTRACTS

All initial individual contracts issued to employees subject to this Resolution shall include a provision stating the compensation provided in the contract may be revised pursuant to this Board Resolution.

DATED this ___ day of _____ 2017.

_____, President

_____, Vice President

_____, Member

_____, Member

_____, Member

ATTEST:

Secretary to the Board