Bargaining After EHB 2242
transitioning from the old to the new school finance model
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Year 1
2017-18
old world

Year 2
2018-19
transition year
(mostly)

Year 3
2019-20
new world
Key Acronyms

• CIS, CAS and CLS
  ▪ certificated instructional staff
  ▪ certificated administrative staff
  ▪ classified staff

• SAM & TRI
  ▪ salary allocation model
  ▪ time, responsibility or incentive

• CPI & IPD
  ▪ consumer price index
  ▪ implicit price deflator
2017-18 School Year: Old Model

Revenue Streams/Funding Formulas

• current rules for CIS allocation under SAM
• 2.3% COLA
• Class size, sped and categorical increases
• state-wide property tax rate of $2.70 per thousand beginning with taxes collected in 2018
2017-18 School Year: Old Model

Employee Compensation

• no change in CIS salary compliance (including TRI)
• 2.3% for “state pass through”
• insurance pooling requirements deleted
• insurance benefit funding levels increased to $820/FTE/month
• HCA retiree subsidy/carve-out reduced to $64.07/FTE/month
2018-19 School Year: Transition Year

New World (Mostly)

Revenue Streams/Funding Formulas

- CIS allocation based on a single, state-wide salary number rather than staff mix
- State funds 100% of the new salary allocation formula increases for CIS, CAS and CLS:
  - CIS increased to $65,216.05
  - CAS increased to $96,805
  - CLS increased to $46,784.33
- Professional learning day funding delayed 1 yr (will be in addition to above allocations)
2018-19 School Year
Revenue Streams/Funding Formulas

- salary allocation formulas adjusted for:
  - regional cost of living and other grandfathering (1.06, 1.12, 1.18, 1.24)
  - +6% provided for Western WA districts bordering a district with a reg. factor more than one tercile higher (.12)
2018-19 School Year
Revenue Streams/Funding Formulas

• grade K-3 teacher funding not contingent on actual class size until 2019-20
• for enrichment levies collected in calendar year 2019, new levy lid is lesser of $1.50 per thousand or $2,500 per student
• new LEA formula for calendar year 2019
• Added in 2018: clarification re: nonhigh student counting for determining enrichment levy max
• local revenues, including enrichment levies and LEA, can only be used for enrichment activities, not basic ed
2018-19 School Year

Employee Compensation

• **Salary Increase Cap**: any CBA for classified employees, any CBA for CIS employees, and any salaries for CAS modified or executed after 7/6/17 are limited to increasing 2018-19 total salaries (including supplemental contracts) no more than CPI.

• **Exceptions to cap**:
  ▪ Step increases / educational incentives
  ▪ Staffing increases / new cert employees
  ▪ Professional learning days
  ▪ Nat’l board bonuses
  ▪ Additional amounts if “total average salary” is below statewide average “as estimated by OSPI”
2018-19 School Year

Employee Compensation

CIS “fenceposts” (*moved up to 18-19*):

- Min. salary $40,760 x FACTOR
- 5-years step at least 10% higher than the minimum
- Max CIS salary is $91,710 x FACTOR
- Max salary level may be exceeded by 10% (to $100,881) for ESAs, STEM, transitional bilingual or sped programs
- Numbers above include IPD of 1.9%
### LEAP Document 1

Table Of Staff Mix Factors For Certificated Instructional Staff

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For credits earned after the BA degree but before the MA degree:

Any credits in excess of 45 may be counted after the MA degree.

LEAP Document 1 is referenced in the Legislative Conference Budget.
2018-19 School Year: Transition Year

Accounting Rules

• school board must adopt a policy on how to respond to audit findings on enrichment activity
• subfund within GF required for local revenues and expenditures from local revenues
• four-year budget plan and enrollment estimates required in each annual budget
2019-20 School Year: New Model

Revenue Streams/Funding Formulas

• allocations adjusted by IPD from SY 18-19; by regional cost of living; and by other grandfathering in appropriations act

• +4% for districts with above avg staff mix and education

• 1 professional learning day funded by state

• levy lid is lesser of $1.50 per thousand, or $2,500 per student (adjusted by IPD CPI for 2020)
2019-20 School Year: New Model

Employee Compensation

• supplemental contracts for TRI subject to enrichment activity and hourly rate limits for “time-based” TRI

• All other supplemental contracts: must document the “additional duties, responsibilities, or incentives” funded in the contract

• all school district and ESD employees transferred to SEBB insurance plans effective 1/1/20
2019-20 School Year: New Model

Accounting Rules

• district must identify and report salary for each employee for basic ed services
• for levies collected in 2020, levy plan must be approved by OSPI before submittal to voters
• enrichment levy funds must be in separate subfund of GF and audited separately
• state auditor to review enrichment activity expenditures
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The 18-19 Caps on Compensation

a. **Myth #1:** That the CPI cap on 18-19 salary increases applies to all employees / districts

b. **Ambiguity #1:** How to calculate state/district average salaries?

c. **Ambiguity #2:** authority to increase “up to the statewide average allocation” – is this plus CPI? (apparently not)

d. **Ambiguity #3:** what is the CPI this year, anyway?
“State Pass Through” Language

a. **Danger #1:** Preexisting language may refer to large increases in salary allocation levels

b. **Danger #2:** Lack of predictability due to politics

c. **Option:** Use federal statistics like IPD, CPI rather than generic terms like “pass through”
New Salary Model for Certs

a. **Myth #1**: That TRI is gone.
b. **Ambiguity #1**: What is an enrichment activity?
c. **Myth #2**: That it’s as easy as combining base and TRI.
d. **Opportunity**: The structure of and values underlying compensation schedules are completely open for discussion.
e. **Challenge**: We have less time to do this work than we planned for.
Suggestions for Paths Forward

a. Research:
   • Mapping current expenditures to new revenue sources
   • Comprehensive accounting of all forms of certificated compensation, not just universal TRI
   • Pay attention to compensation items tied to base salary

b. Joint Work:
   • Can we engage our unions and do this work side-by-side?

c. Contingency/Reopener Language
   • Levy protection
   • Class size
   • Legislative changes
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