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

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)

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

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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 “to 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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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
• 1 professional learning day funded by state
• levy lid is lesser of $1.50 per thousand, or $2,500 per student (adjusted by IPDCPI for 2020)

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
1. Myth #1: That the CPI cap on 18-19 salary increases applies to all employees / districts.
2. Ambiguity #1: How to calculate state/district average salaries?
3. Ambiguity #2: Authority to increase “up to the statewide average allocation” — is this plus CPI? (apparently not)
4. 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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