Task Force for Improving Education
Fiscal Stability
June 12, 2013

Committee members present: Linda Clark, Wayne Freedman, Rob Winslow, Geoff Thomas.

Others present: Allison McClintick, Marilyn Whitney, Paul Headlee, and Jason Hancock.

Paul provided a one-page document showing some funding alternatives to the current steps and lanes salary schedule including models in Minnesota, Ohio, Arizona, and Idaho. Most of these compensation models are fairly recent, but Ohio and Arizona's systems have been in place for a few years.

Linda commented that one of the major challenges is the differential. A successful model should be based on pay that is adequate, fair and equitable. It's necessary to pay people a livable wage. Giving a base rate and then expecting the districts to pay off the salary schedule isn't reasonable. The cost per step in Meridian is $1.3 million, but the money received is $1 million. Meridian has to come up with $900,000 in other money. The instability comes in trying to make up the difference.

Geoff noted that in his conversations with legislators they aren't interested in just giving more money, because they don't want to reward bad teachers. There is a misperception on the part of the legislature that there are hoards of really bad teachers, and they don't want to reward bad teachers. He suggested looking at a dual track salary schedule where teachers voluntarily participate in schedule A (status quo) or a new venture B. The committee might consider a higher starting teacher salary, but with no guaranteed continuing contract. There could be significant increase after years of service, high performance, etc. There could also be incremental increases for hard-to-fill positions, leadership and professional development, etc. The tradeoff would be no negotiation or guaranteed contract. A new system could be an opt-in, where teachers currently in the system could opt in.

Linda concurred that in her conversations with legislators, they indicate that to increase teacher pay, the model has to look different – either another component or a new system. A system like the current one with all the steps and lanes is problematic as there is no way to anticipate how people will move.

Jason commented that as long as there is tenure, it doesn't matter how much you tell legislature that you have great teachers, they don't believe you. If they are really good, why hang on to tenure. Legislators don't think there is accountability.

Wayne noted that getting teacher buy-in to a new system will be critical.

The group would like to get a report from the ISBA on the total amount by district of the differential to support the position that this is a central issue with current funding instability.

Rob commented that it's important to get the unit funding up as well.

The group reaffirmed their 3 areas for recommendation to the full Task Force.

#1 Restoration of unit funding to 2007 levels
#2 Consideration of a membership or enrollment model to replace ADA funding model

#3 Compensation – recommending a new salary schedule

Geoff asked about what it would take to get back to 2007 levels. Paul noted that it would probably be $75-$80 million.

With salaries, it is not movement on the grid that creates the difference – it's the starting point. Each step is different. The base salary was reduced in the downturn. In 1994, the starting base was $19,328 and now it is $23,123. Over 19 years, the average increase has been .86% per year, which hasn't even kept up with the Consumer Price Index.

Richard Westerberg joined the meeting via phone. He asked the group if they would combine with Effective Teachers and Leaders. The Fiscal Stability group agreed to meet with the Effective Teachers and Leaders starting on July 12th. They planned to have one more individual meeting on June 25th.

Paul cited an evaluation of the Arizona model where the career ladder districts were outperforming those districts with no career ladder. However, Arizona has not added any new funding since 1994.

The group agreed that the model they recommend should have an opt in. If a teacher is in the legacy pay system and wants the stability and the .86% increase, then they can stay with the old system. Teachers that opt in to the new system would not be part of the collective bargaining process. They would be free agents. Geoff noted that this reinforces accountability.

Jason provided a scenario that this would be about $10,0000 more per new hire and then with up to 20% of current teachers opting into the new system, it would cost about $32 million per year, but in about 5 years a district would be there.

The new system needs to allow a mechanism for veteran teachers to move.

Wayne commented that the legislative perception of how to fund education needs to change. When the legislature sees a system they like, they are willing to fund it.

Jason provided a handout with some career ladder scenarios. A system wide approach is more limited in terms of how ambitious you can be with the starting salary point. But with an opt in, not everyone participates in year 1.

The group discussed the metrics that could be used to base moves on. If the main criteria are the performance evaluation, there would need to be controls to avoid inflation of ratings.

The group discussed how districts could control how many teachers were in each level. They discussed combining this conceptually with the opt-in.

There could be a range for each level with base pay and options to move up $2,000 or some level each year with added elements for achievement and/or hard to fill and additional leadership responsibilities. The approach to provide opportunities each year is more attractive than leaving everyone at the same level for years. Building in opportunities to have some extra steps within each rung of the ladder would make it desirable.

Rob asked if aspects of pay for performance be included in the ladder.

Allison suggested that an associate teacher could be required to be in a mentor situation.

The group discussed the importance of being careful about the labels. Associate and Novice could both be perceived as negative.

Jason and Paul will work to modify the model based on the discussion and suggestions.

There are other salary issues with differential in classified staff.

The group wants to discuss the funding model and moving away from attendance to an enrollment/membership model. How many kids show up each year is variable. Attendance rate is also variable. If you go to enrollment, you move to just one factor. There are also issues with ISEE data and timing. It could make the burden at state and district level simpler to have a reporting date. Possibly an enrollment date of October, with districts getting funding for 100% of students might work. Getting the ISEE piece right is a huge challenge and very expensive.

ADA incentives attendance, but at 96-97%, you aren't going to increase that much. The challenge is that just saying this is easier for reporting and more stable won't get the legislature to fund the $50-$60 million for an enrollment-based system with the same series of divisors. The legislature might just bump up the divisor to account for that. You will have winners and losers – the winners are districts with lower attendance.

The group conceded it is unlikely there will be an influx of funding to get restoration of the units.

Jason will work with Tim Hill to see what you would have to bump the divisors by to even things out.

The group decided to hold a conference call on June 24 or 25 to discuss changes to the career ladder model before meeting with the Effective Teachers and Leaders group.

Wayne asked about benefits and is there any way to address that. There has been discussion with legislators about pulling that out, but it wouldn't be part of state plan, but it would be a line item coming out of unit funding. There could be a state plan for teachers funded as a line, which would help justify the increase. It could tie the percentage change to the change in the state plan increase. Linda commented that the Meridian District will likely send classified employees to the exchange.

The group suggested that they could recommend monitoring the insurance issue for the next year and then come back with a recommendation when the exchange is up and running.