Task Force for Improving Education
Fiscal Stability
June 25, 2013

Committee members present: Linda Clark, Wayne Freedman, Joining by phone: Laurie Boeckel, Geoff Thomas.

Others present: Allison McClintick, Office of the State Board of Education (OSBE); Marilyn Whitney, OSBE; Paul Headlee, Legislative Services Office; David Hahn, Division of Financial Management; and Jason Hancock, State Department of Education.

The group discussed the career ladder model and changes incorporated based on the discussion at the group's meeting on June 12th.

With a five-year phase in, each year up to 20% of teachers in a district could be added (this would include new teachers). Assuming an average 9-10% turnover, that leaves 10-11% for existing teachers to opt in. The next year, there would be turnover and eventually you are turning over positions that have been in the program. An unintended consequence might be that this would encourage people to move to other schools so they are in the front of the line. Wayne commented they lost 30% of their teaching force this year. Jason Hancock commented that this will motivate some to move but motivate other to stay. All new hires would automatically be included.

In small districts, there will be a larger impact on a percentage basis. There may be some years where a small district cannot opt in any existing teachers. There could be an option for small districts to move a minimum number of existing teachers rather than a percentage that includes both new positions and existing teachers. In a small district it would take only a couple of years to get everyone on the new system who wanted to move.

If someone coming in as a new teachers gets an immediate increase and an existing teacher with years of experience can't opt in, that could be de-motivating.

Dr. Clark commented that distinguished teachers need to be able to participate in the career ladder model under discussion. Those teacher need to continue to be motivated.

The fiscal impact is roughly $40 million per year for 5 years, new money and then ongoing funding. This would, in effect, put in a 5% increase for teacher salaries each year compounded for 5 years. The negative impact is that some teachers on the new system get the increase while some existing teachers who want to opt in cannot.

At the end of the 5 years there would still be people trickling in to the system, but districts should be close to equilibrium at that point. For the 5 years, districts would get salary based apportionment for both systems.

One question yet to be decided is whether the career ladder would be a minimum or a maximum as well? If this is a state-based pay system, can districts pay more? Dr. Clark commented that one of the charges of the committee was to Identify the things that create fiscal instability for districts. The disparity in salaries is a very large, if not the largest, cause of the instability. The superintendents and IASA would like to have a state schedule that is competitive with the others.

For the large charter districts, it will take several years for teachers to move through. If you have a statewide system, there would be no negotiation district by district.

It might be possible to buy out a district, but it would be difficult to do that from the uniformity perspective.

Geoff Thomas commented that there will need to be a seismic shift for things to change for teachers. It seems more appealing to the legislature to do something radical with how the state compensates teachers. If a teacher signs on for new career ladder, the tradeoff is the lack of protection. They are being rewarded for performance, risk taking, and it's voluntary. There are states that have statewide salary schedules and there are states that do not allow collective bargaining.

Dr. Clark noted that whatever model is used needs to be simple and straightforward.

At the end of the last meeting, the group talked about some additional components that provide money/bonuses for other work – mentoring, curriculum development, etc. Districts could be given the flexibility to develop a point system tied evaluation, certification, leadership development. Rather than taking the funds from what is built in, it would be better to build it on top. That would lessen the number of districts who didn't want to participate.

There could be a pool of money that districts could award for points. Teachers would still need to meet the other criteria to move from one level of the ladder to another, but this would provide additional incentive within each level.

The group suggested developing some guidelines on how to earn points on the career ladder. However, it could allow flexibility at the district level to determine how points are earned.

Student academic growth would need to be factored in to the model and teachers need to understand very simply what they have to do to move from one level to another and to earn the maximum amount.

There would also be the potential for teachers to move back a level as well. There would be rules for regression. If a teacher does not maintain performance, they should be held accountable.

Dr. Clark asked Paul Headlee if this was a reasonable proposal from a fiscal perspective. Paul explained that if there were a 4% - 5%revenue growth that would be about $65 million/year. This could potentially fit into current revenue projections.

Dr. Clark asked for reactions from the group. Mr. Thomas noted that the model is simple, has accountability, includes leadership and performance. Wayne Freedman noted that it sends a good message that the first level focuses on the craft and developing skill, classroom management, etc.

One criticism of the current schedule is that it takes too long for someone to get to a career salary. You never get there if you are just paying on the state grid. The newer teachers are stuck for several years with no opportunity.

The group discussed changing the "Professional" category to "Career."

Dr. Clark brought up the topic of tiered licensure and would like Christina Linder to come talk to the joint committee on July 12th.

If someone from another state comes in, the districts will need to look at evaluations to determine if they meet the qualifications. Idaho doesn't want to cut off the pipeline for teachers coming into the state.

Jason Hancock went through several questions he thought the group should consider:

1) Would a teacher need to work their way across the steps to Step 4 before becoming eligible to move to the next rung if they had 1-4 years of experience when they moved entered the Career Ladder on standard teacher Step 0?
2) Is the Career Ladder just a minimum or is it a maximum for base pay, as well.
3) Is the "no collective bargaining" provision for those on the Career Ladder just for the salary aspect, or does it apply to all aspects of collective bargaining?
4) Use it or lose it?
5) What if legislature cuts funding for Career Ladder? Do teachers get tenure back? Get collective bargaining back? Automatically assess the difference through property taxes?

Several of these were addressed in the meeting discussion. The Homework for the group is how to address question #5.

Dr. Clark asked for a status update on the other major recommendation to move from an attendance funding model to enrollment. Jason has given Tim Hill and Joyce Popp in the State Department the charge to look at this issue. It could require $50-$60 million. They will calculate what it take to keep it cost neutral by adjusting the divisors. There would probably be some slight winners and slight losers in the districts. 21st century learning is about mastery learning. Attendance makes that almost impossible because it's based on seat time. Dr. Clark expressed concern that the recommendations be realistic.

The group previously identified the two major factors of instability – unit funding and how we pay teachers. A move to enrollment based funding would help address this. Very few states do Average Daily Attendance today. Mr. Hancock commented that the head of IT for the State Department of Education indicates an enrollment model would be easier to manage. However, districts would need to understand that there are other data points the state needs to collect. Districts will still have to report attendance in some way.

The group did talk at a previous meeting about health insurance and tying a percentage increase of the state plans to a line item for school districts. Mr. Headlee noted that could cut both ways. There is not really a nexus as there are 115 different plans for districts. You would tie increases to an increase in the discretionary line item. This would be for distribution purposes. If a district spent less, the savings could be spent on other things. The group determined that it was best to see how the health exchange settles out. Breaking it out on the line item is to index it to something that is more reasonable. Will be a down side – state is putting it toward benefits and the districts are using it differently.

The next meeting is July 12th at 10:00 a.m., which will be a joint meeting of Effective Teachers and Leaders and Fiscal Stability.

The Fiscal Stability group will meet prior to that at 9:00 a.m. in the downstairs conference room.