

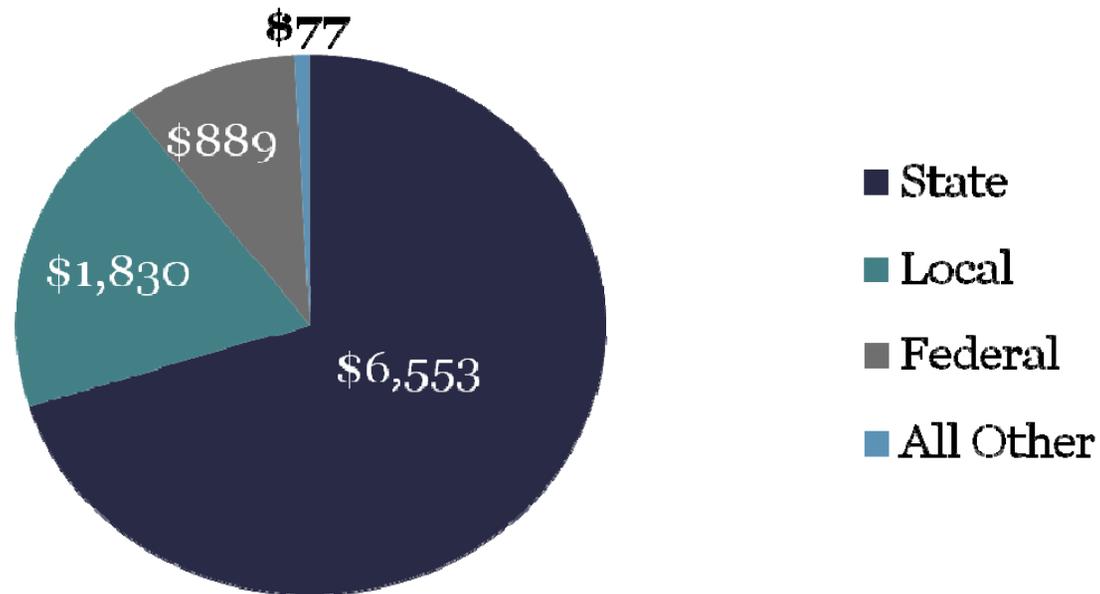


**Background Data on  
Compensation with Focus on  
Health Benefits and  
Supplemental Salaries**

**HOW MUCH DOES THE  
SYSTEM SPEND ON  
COMPENSATION?**

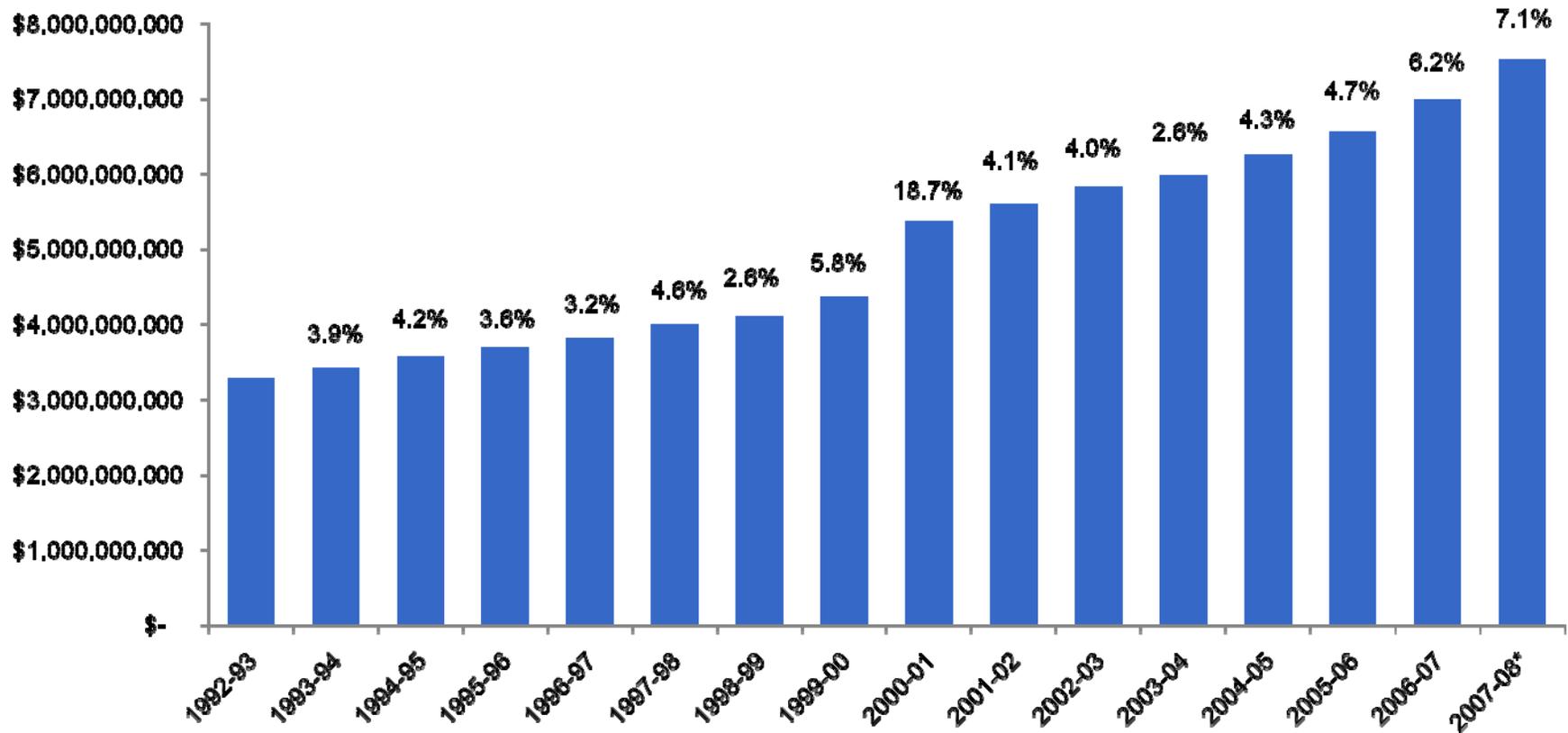
# State, Local, and Federal Funds Total \$9.3 Billion

## 2007-08 Budgeted Resources, 295 School Districts (\$ Millions)



# Total Compensation Ranges Between 82% and 84% of Total Expenditures

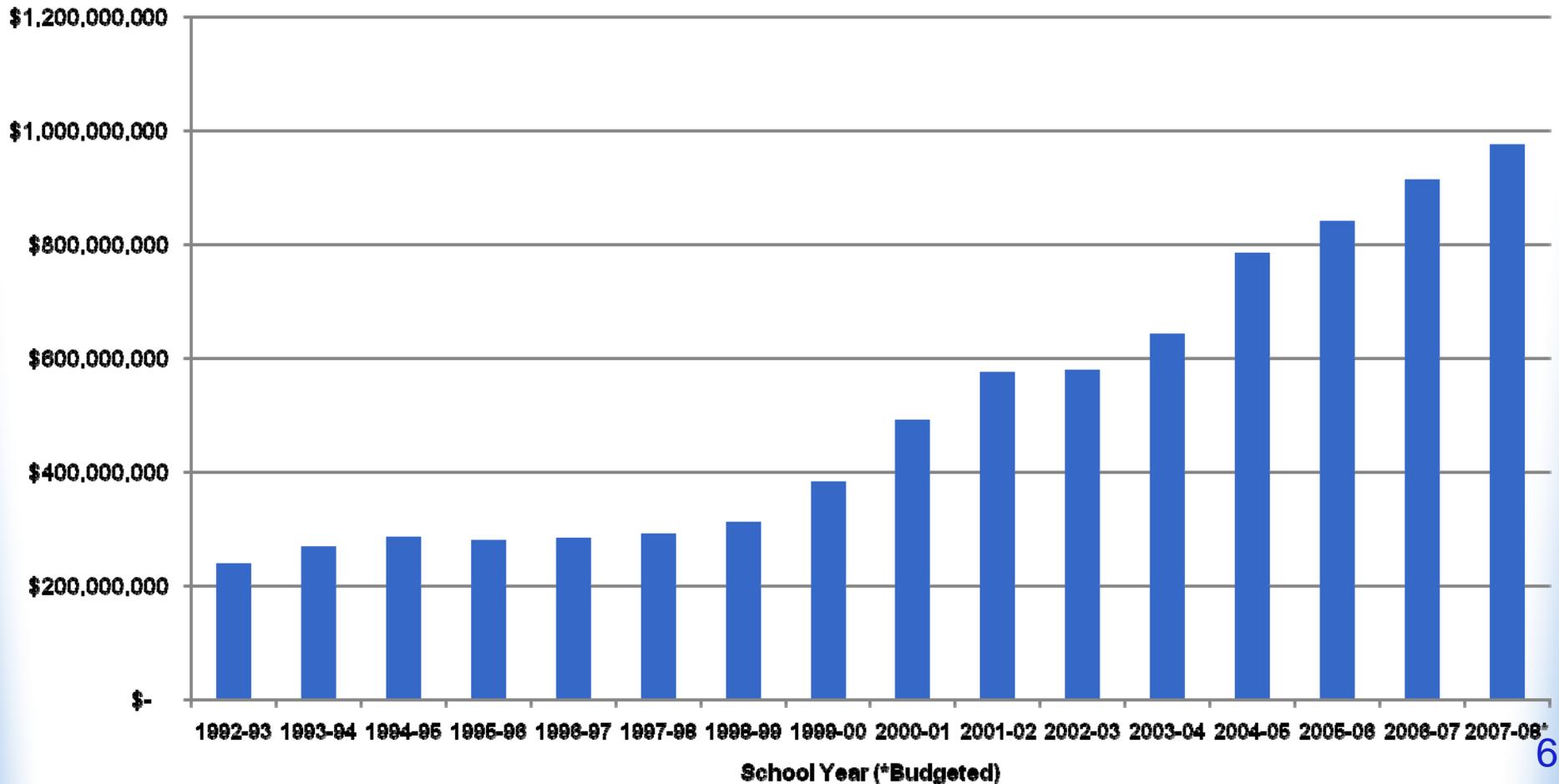
**Total Expenditures by School Districts for Salaries, Mandatory Benefits, and Health, Life, and Disability Insurance with Percent Increase Over Prior Year**



HOW MUCH DOES THE  
SYSTEM SPEND ON HEALTH  
BENEFITS?

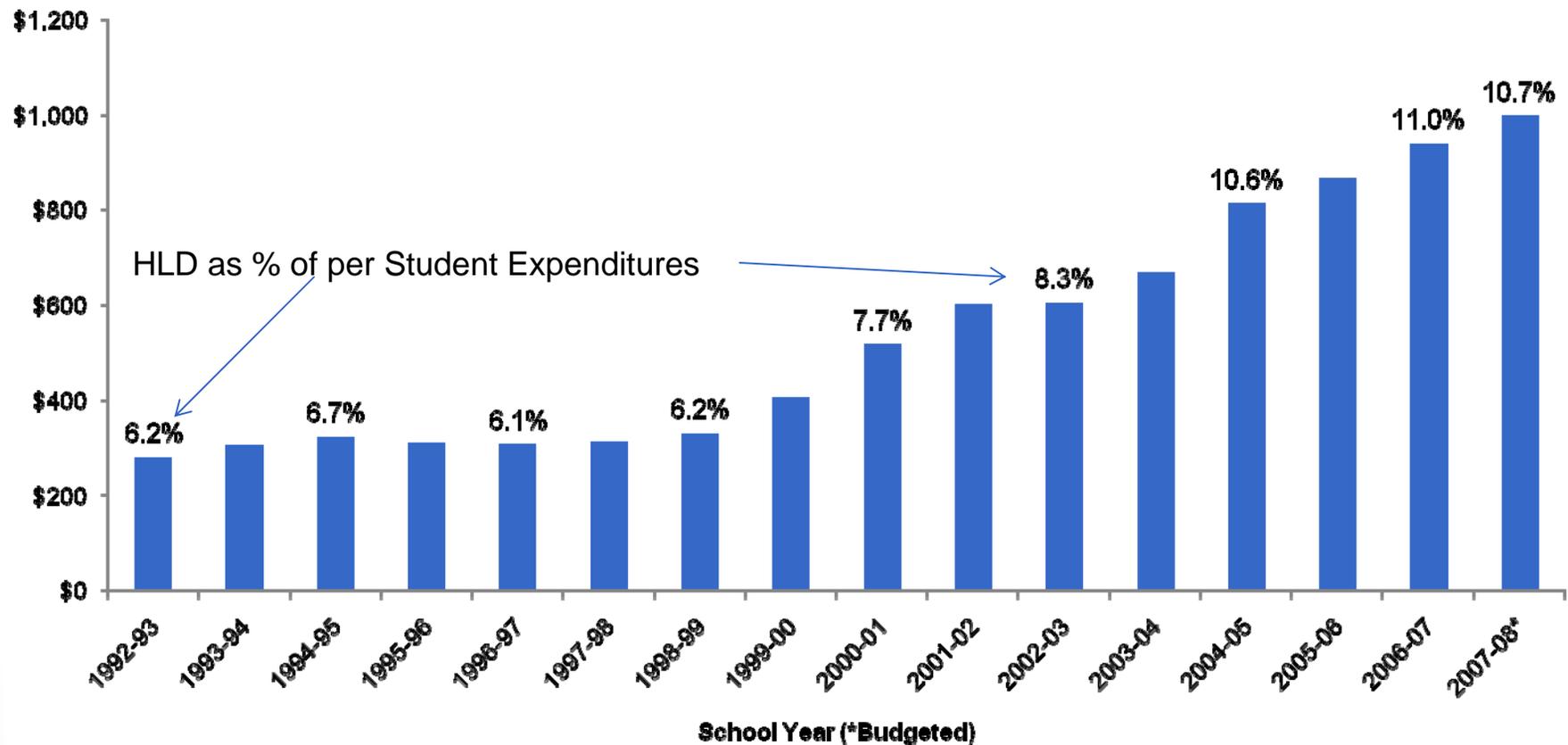
# School Districts Spend \$1 Billion on Health, Life and Disability Insurance

**Total School District Expenditures for Health, Life and Disability Insurance (All Programs, Excluding Community Activities and Nutrition Services)**



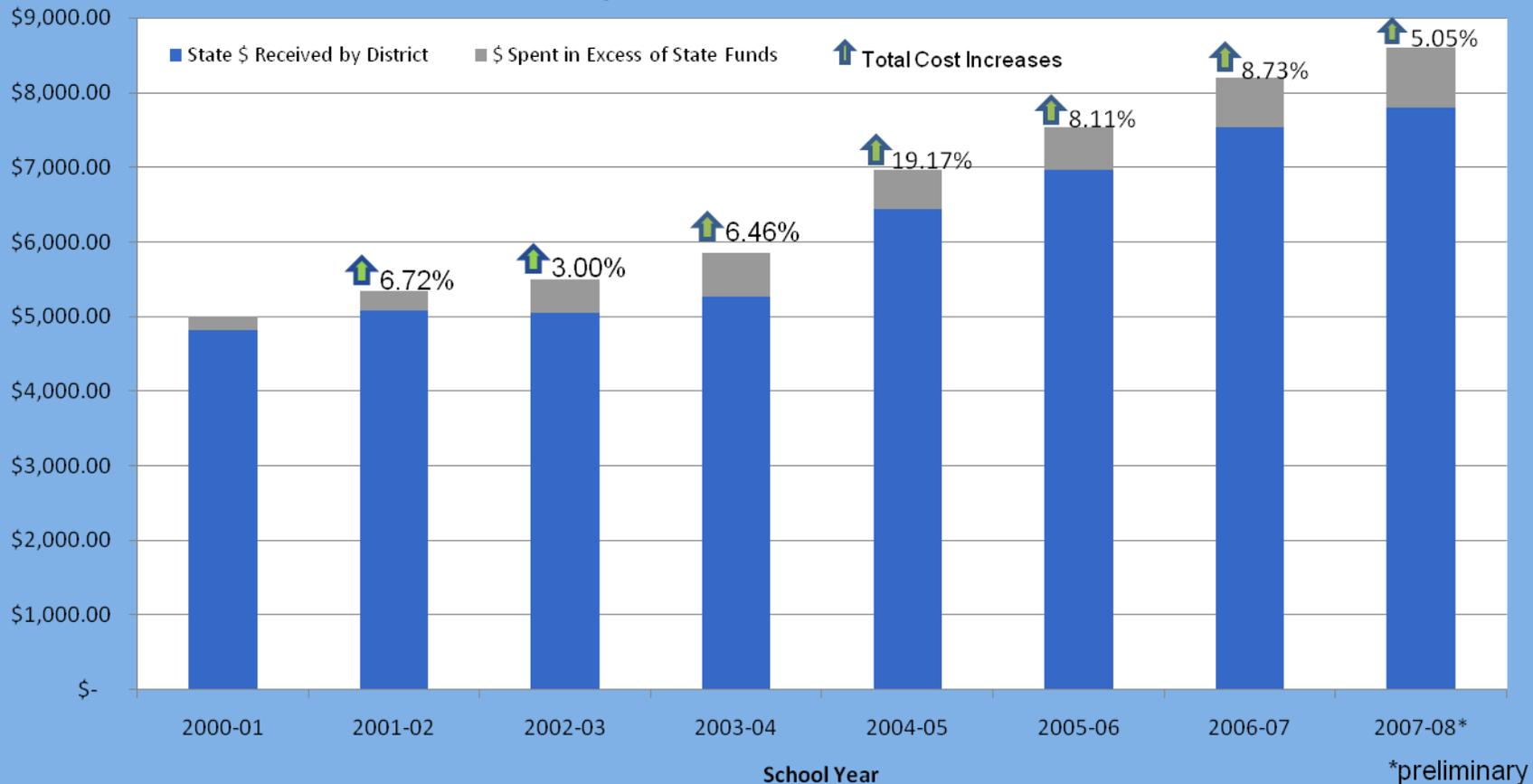
# HLD Expenditures per Student Have Increased Steadily Since 1999

**Per Student School District Expenditures for Health, Life, and Disability Insurance (All Programs, Excluding Community Activities and Nutrition Services)**



# School Districts Expend 8-9% More for HLD Benefits than the State Allocates per Teacher

## Health, Life and Disability Insurance: Districts Spend More Than the State Funds per Certificated Instructional Staff

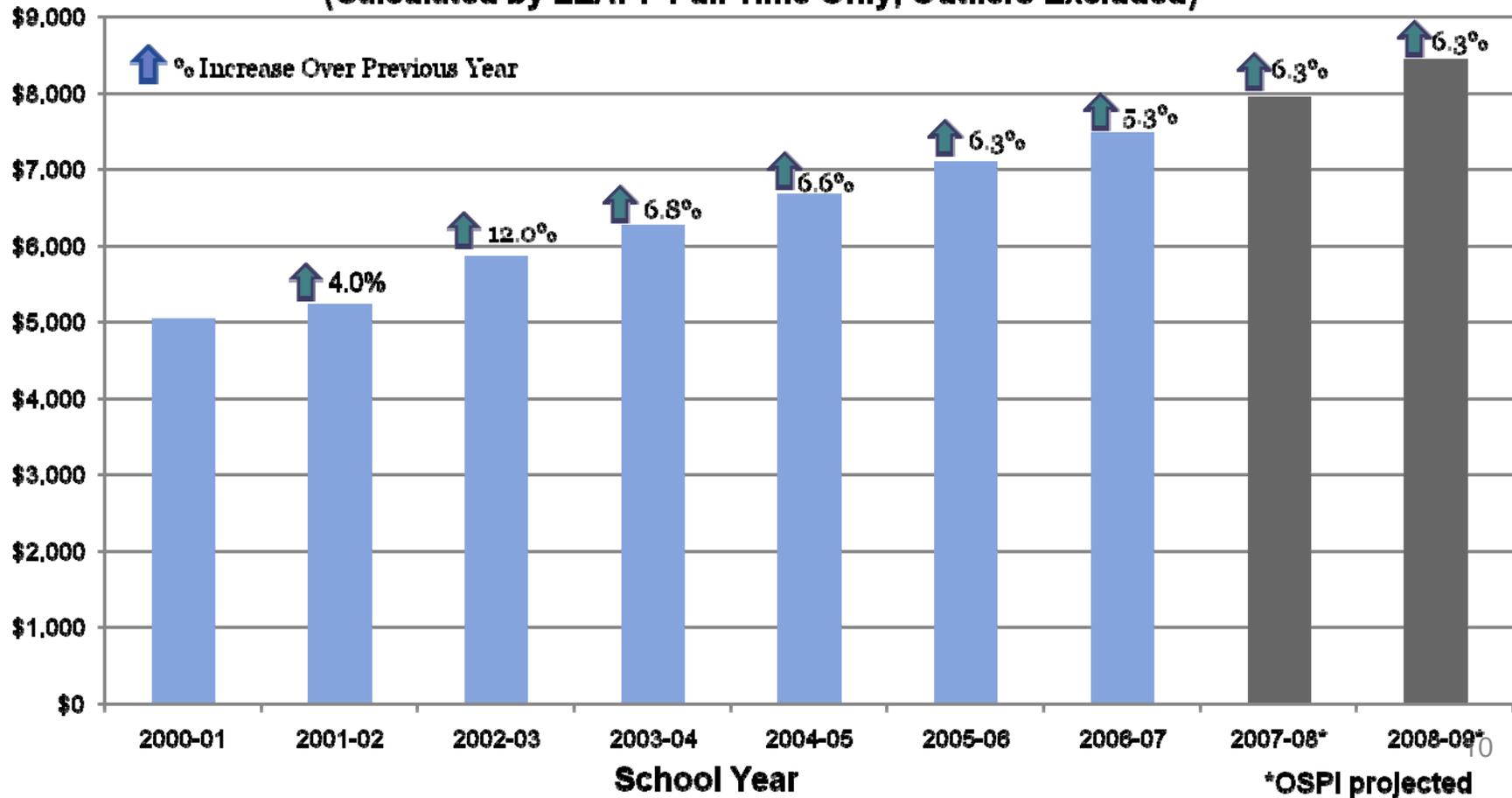


AT WHAT RATE AND HOW DO  
SUPPLEMENTAL SALARIES  
INCREASE?

# Additional Salaries Increase 6%+ Annually

## Annual Additional Salaries Per Full Time Certificated Instructional Staff

(Calculated by LEAP: Full Time Only; Outliers Excluded)



# How Do Supplemental Salaries Increase?

6.3% increases driven by multiple factors:

- State COLA applied to TRI schedule
- Increase in extra duties (new curriculum adoptions)
- Higher or more frequent class size overload pay
- New incentives (seniority incentive)
- COLA above state COLA

# At State Level, No Systematic Data on COLAs Included in Contracts

- Example contracts of random large districts
  - Columns A-L represent percentage increase above state COLA applied to total salary
  - In some cases, percentage is linked to extra time (district- and/or teacher-directed)
- “?” Indicates COLA is dependent on negotiations for current contract; outcome unknown*
- Indicates that contract will be open for this year*

	State	A	B	C	D	E	F	G	H	I	J	K	L
07-08	3.7 - 4.3	1.0	2.0	1.5	1.0	3.0	0.0	0.0	0.0	0.0	1.5	.5	2.5
08-09	4.4 - 5.1	.75	2.0	1.5	1.25	5.2 – 5.9	0.0	0.0	1.5	0.0	1.5	1.0	---
09-10	5.0*	?	3.0	2.0	---	---	0.0	0.0	1.0	?	---	1.0	---
10-11	3.1*	?	---	---	---	---	0.0	0.0	3.0	?	---	---	---

\*Projected I-732 COLA

# 1% COLA Drives Significant Percentage Increase in TRI Schedule

Base Salary (projected 2007- 08 Avg)	Value of Supplemental Salary	Total Salary	Value of 1% COLA	Increase in TRI Schedule of 1% COLA	1% COLA Per Student Increase
\$50,393	\$1,000	\$51,393	\$514	51.4%	\$28
\$50,393	\$2,000	\$52,393	\$524	26.2%	\$28
\$50,393	\$3,000	\$53,393	\$534	17.8%	\$29
\$50,393	\$4,000	\$54,393	\$544	13.6%	\$29
\$50,393	\$5,000	\$55,393	\$554	11.1%	\$30
\$50,393	\$6,000	\$56,393	\$564	9.4%	\$30
\$50,393	\$7,000	\$57,393	\$574	8.2%	\$31
\$50,393	\$8,000	\$58,393	\$584	7.3%	\$31
\$50,393	\$9,000	\$59,393	\$594	6.6%	\$32
\$50,393	\$10,000	\$60,393	\$604	6.0%	\$32
\$50,393	\$11,000	\$61,393	\$614	5.6%	\$33
\$50,393	\$12,000	\$62,393	\$624	5.2%	\$34
\$50,393	\$13,000	\$63,393	\$634	4.9%	\$34
\$50,393	\$14,000	\$64,393	\$644	4.6%	\$35

# Compensation Expenditures Grow Faster than Local, State and Federal Revenue

## % Increase in Compensation Expenditures in Excess of:

	% Increase in Local Revenue	% Increase in State Revenue	% Increase in Federal Revenue
1993-94	-7.1%	4.0%	-2.4%
1994-95	-0.7%	1.1%	0.1%
1995-96	-1.7%	1.6%	4.1%
1996-97	-2.9%	2.3%	-2.0%
1997-98	4.6%	2.5%	-9.3%
1998-99	0.0%	1.2%	-5.1%
1999-00	-4.7%	3.0%	-12.2%
2000-01	12.7%	14.1%	4.4%
2001-02	0.4%	0.6%	-9.6%
2002-03	-2.1%	2.5%	-7.3%
2003-04	-2.8%	1.3%	-3.3%
2004-05	0.4%	1.8%	-1.8%
2005-06	0.4%	-0.2%	4.4%
2006-07	0.8%	-0.8%	6.7%
2007-08*	2.2%	0.0%	-3.8%

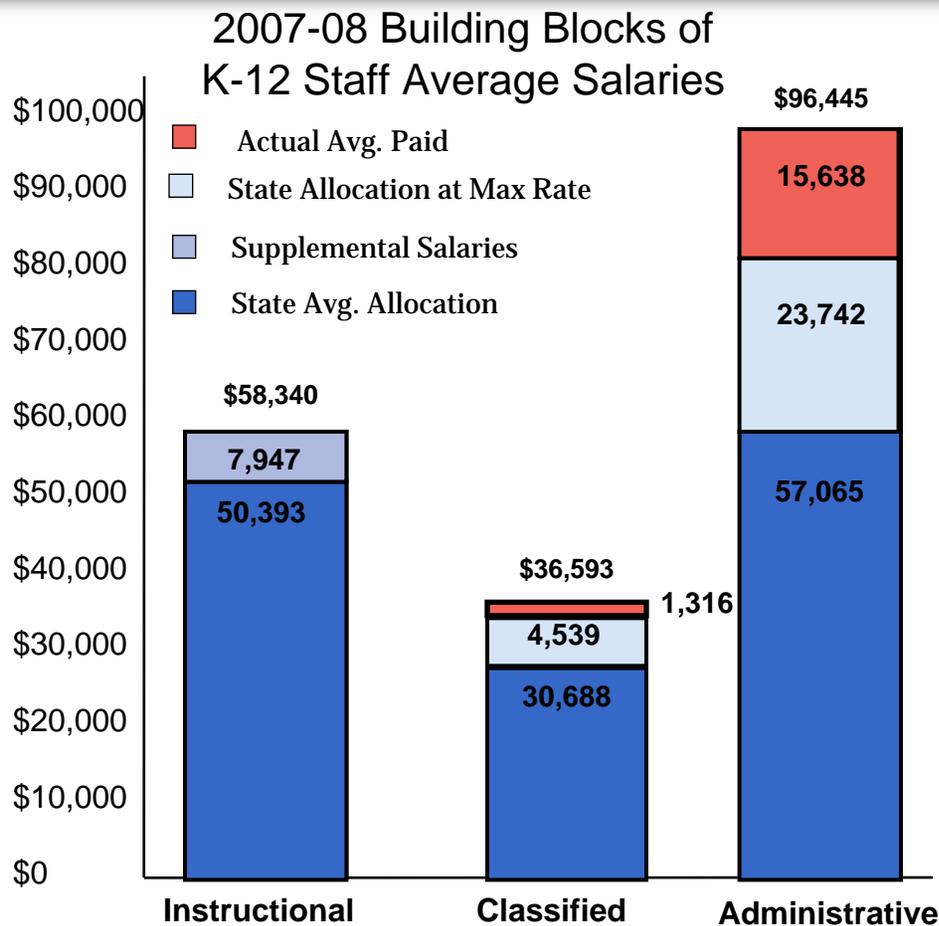
\*Budgeted

# Structural Disconnect Continues in 2009-10 School Year

1% COLA above I-732 COLA for all Teachers in a District	\$28 - \$35 per student
Cost of 2009-10 I-732 COLA on Local Funds (COLA projected at 5%)	\$99 per student
Typical Levy Growth (2007 to 2008)	\$60 - \$100 per student

# PARKING LOT

# Local Funds Pay COLA on 4 Levels

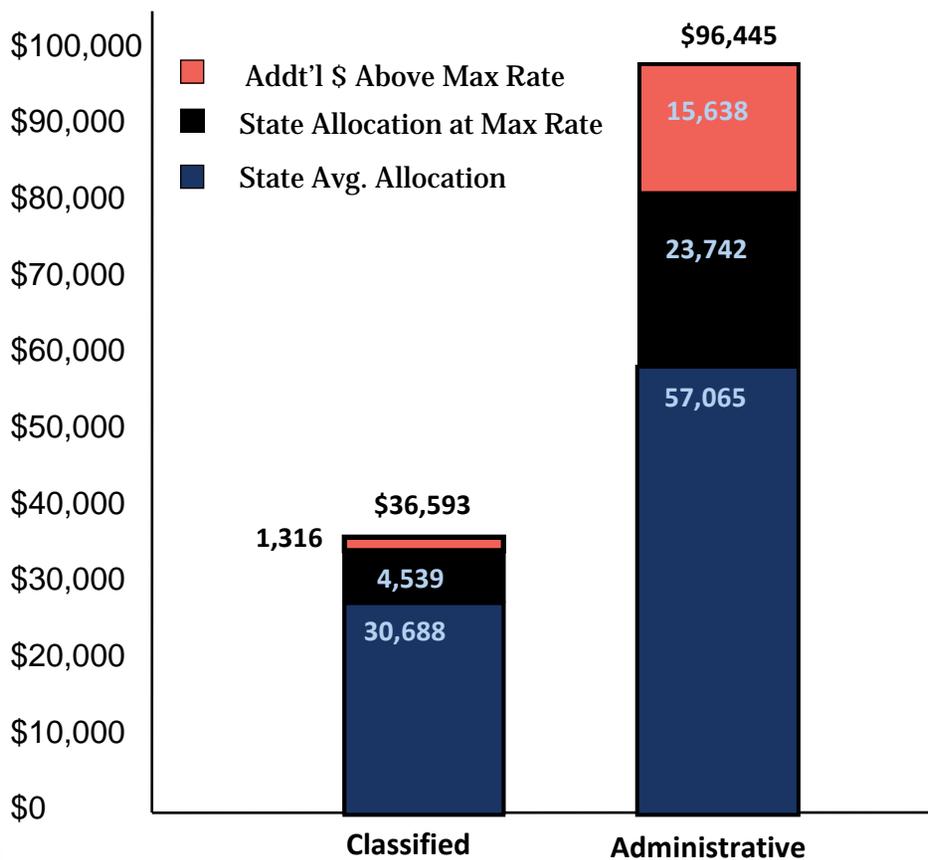


## Local Funds COLA Effect (5% in 2009-10)

1. COLA on average salary paid for "local staff units" (**\$54 million**)
2. COLA on all supplemental salaries, all staff (**\$24 million**)
3. COLA on unequalized portion of Classified and Administrative salaries, all staff (**\$12 million**)
4. COLA on difference between the state maximum allocation and the salary districts actually pay, all staff (**\$6 million**)

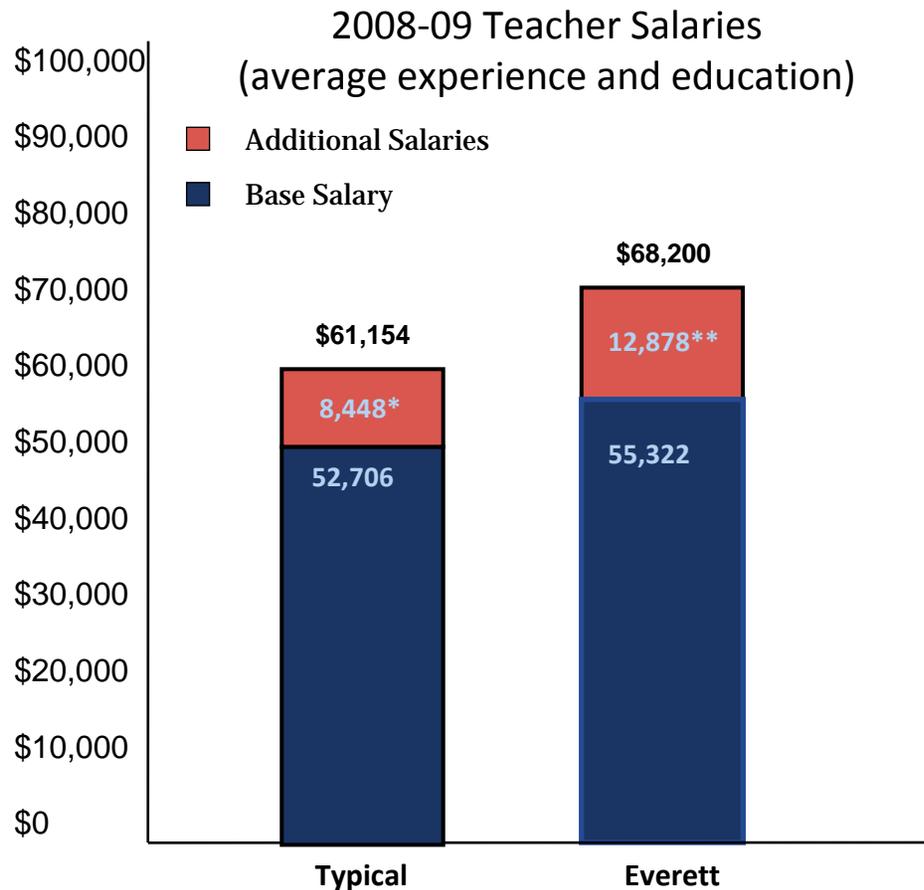
**\$96 million total**

# Districts Must Subsidize Classified/Admin Salaries by \$366 Million



1. Average total salary
  2. State average allocation
  3. District allocations vary, first step is to equalize salaries (\$226 million state cost to equalize)
  4. After equalization, the state still must identify an appropriate method to address true costs districts experience (\$140 million difference between equalized allocations and district costs)
- **Districts also pay difference in salary and COLA/benefits**

# Differences in Teacher Salary Impacts Morale and Retention



1. Base salary most districts
2. Base salary of Everett
  - Equalizing will cost \$167 million and raise most teacher salaries by 5%
3. Additional (supplemental) salaries on average nearly \$8,500 per teacher statewide

\* Projected from 2006-07

\*\* 2006-07; full-time staff only

# Historical State COLA by Type of Staff

## *Annual Average Compensation Increases, COLA and Other*

	<u>Instructional</u>	<u>Classified</u>	<u>Administrative</u>
1999-00	6.4%*	3.0%	3.0%
2000-01	3.0%	3.0%	3.0%
2001-02	3.7%	3.7%	3.7%
2002-03	3.6%	3.6%	3.6%
2003-04	0.4%**	0.0%	0.0%
2004-05	0.4%**	1.0%	0.0%
2005-06	1.2%	1.2%	1.2%
2006-07	4.5%	4.5%	4.5%
2007-08	3.7 + .6%	3.7%	3.7%
2008-09	3.9 + .7 + .5%	3.9 + .5%	3.9 + .5%
2009-10 (p)	5.0%	5.0%	5.0%
2010-11 (p)	3.1%	3.1%	3.1%
2011-12 (p)	2.4%	2.4%	2.4%

\*Increases between 4.7% and 12%; 3 LID added

\*\*Increases between 3% and .05% for staff in 1st 7 years only  
(p), projected I-732 COLA