

# 2022-23 Operating Budget Reconciliation & Compensation Recommendations

WCPSS Board of Education Finance Committee Meeting  
August 2, 2022

# 2022-23 Operating Budget Reconciliation & Compensation Recommendations

## Today

Recommended changes to staff compensation in Board's 2022-23 Proposed Budget

One Employer Benefit Contribution rate change

Review of local funding requirements for recommended changes

Present 2022-23 budget reconciliation recommendations

# 2022-23 Operating Budget Reconciliation & Compensation Recommendations

## Teachers and Instructional Support (Certified) – Compensation

Effective 7/1/2022 - Step increase + increase to salary schedule

A00 step increased from \$35,460 annually to \$37,000

Psychologists, SLPs and audiologists continue to receive \$350 monthly supplement

School counselors continue to receive \$100 per month supplement

Average increase is 4% in revised final state budget

Compares to average increase of 2.5% in original 2<sup>nd</sup> year state biennial budget

BOE Proposed Budget - 2.5% local supplement increase based upon 2<sup>nd</sup> year state biennial budget

*Recommend changing to a 4% increase in locally funded supplement in BOE Adopted Budget*

## Principals

Effective July 1, 2022

4% increase to base State Salary schedule in final state budget

Compares to increase of 2.5% in original 2<sup>nd</sup> year state biennial budget

BOE Proposed Budget - 2.5% local supplement increase based on 2<sup>nd</sup> year state biennial budget

*Recommend changing to a 4% increase in locally funded supplement in BOE Adopted Budget*

## **Assistant Principals**

Salary Schedule is based on the “A” Teacher scale plus 19%

*Recommendations to Certified Schedule A flows through (increase supplement by 4%)*

## **Non-Certified Personnel & Central Office Staff Support Staff**

Includes Graded positions, Admin Bands, Tech Bands, & SLT Bands

Final state budget includes the greater of a minimum of \$15/hour or 4% increase

Compares to greater of \$15/hour minimum or 2.5% increase in original 2<sup>nd</sup> year state biennial budget

BOE Proposed Budget has \$16/hour minimum, or 2.5% increase, whichever is greater

*Recommend \$16/hour minimum, or 4% increase, whichever is greater, in BOE Adopted Budget*

*Step, Grade, & Banded differentials in BOE Proposed Budget remain to manage compression*

## **Employer Matching Benefit Rates**

Employer Contribution Retirement Rate in final state budget - 24.5%

Rate in original 2<sup>nd</sup> year state biennial budget – 24.19%

Rate in BOE Proposed Budget – 24.19%

*Recommend changing employer contribution rate in BOE Adopted Budget to 24.5%*

Maintain compliance with requirements from the State Retirement System

No change in employer contribution rate for Health insurance in final state budget

# 2022-23 Operating Budget Reconciliation & Compensation Recommendations

## Review of Staff Compensation in Board's Proposed Budget & Final State Budget

### Board's Proposed Budget - State-Legislated Salary Increase Funding Request (p 73)

2.5% Salary Increase for all Staff  
\$15/hour minimum

### Approved State Budget – House Bill 103

4.0% Salary Increase for Non-Certified and Principals  
\$15/hour minimum

4.2% Average Increase for Certified and Assistant Principals

State-Legislated Salary Increase					
Area	Systemwide				
Description	Proposed funding is based on state-legislated salary increases included in the biennium budget. The average increase in the biennium budget for 2022-23 is 2.5 percent. Grants and enterprise funds will pay the cost for any employees on self-supporting programs. The cost in this request is for employees paid by the State Public School Fund and Local Current Expense Fund.				
Average Compensation Increases Approved by the General Assembly					
	Teachers	Non-Certified Public School Personnel	Other State Employees (Not Public School Personnel)		
<b>Actual</b>					
2019-20	1.2 percent	0.0 percent	2.5 percent		
2020-21	1.2 percent	0.0 percent	2.5 percent		
2021-22	2.5 percent	2.5 percent	2.5 percent		
		\$13/hour minimum			
<b>Proposed</b>					
2022-23*	2.5 percent	2.5 percent	2.5 percent		
		\$15/hour minimum			
*Per the biennium budget; subject to change.					
Strategic Objective	Human Capital				
Budget Adjustments	Description	MOE	State	Local	Total
	Salary Increase		\$ 25,041,070	\$ 5,715,671	\$ 30,756,741
	<b>Total</b>		<b>-\$ 25,041,070</b>	<b>\$ 5,715,671</b>	<b>\$ 30,756,741</b>

	Approved State Budget 4.0% - \$15/hour minimum	Board's Proposed Budget 2.5% - \$15/hour minimum	Increase	Local Cost
Fund 1 State	\$39.3 million	\$25.0 million	\$14.3 million	
Fund 2 Local	\$ 9.2 million	\$ 5.7 million	\$ 3.5 million	<b>\$3.5 million</b>
	<b>\$48.5 million</b>	<b>\$30.7 million</b>	<b>\$17.8 million</b>	

## Locally Funded Salary Increases Already in Board's Proposed Budget

### **\$13.2 million for Locally Funded Salary Increases in Board's Proposed Budget**

Certified Personnel - 2.5% Salary Supplement Increase (p 76): \$4.1 million

Principals - 2.5% Salary Supplement Increase (p 77): \$0.7 million

Non-Certified Personnel (p 78-79): \$8.1 million

- \$16/hour minimum or 2.5% increase, whichever is greater
- 25 cent step differential and 40 cent grade differential to address compression

Admin/Tech Band/SLT (p 78-79): \$0.3 million

- 0.5% beyond state-legislated salary increase

# 2022-23 Operating Budget Reconciliation & Compensation Recommendations

## Impact of State Budget

	Approved State Budget Plus \$16/hour minimum & addressing compression	Local Funding Impact
Fund 1 State	\$49.4 million	
Fund 2 Local	\$11.1 million	
Total Cost for Salary Increases	<b>\$60.5 million</b>	
Less State-Legislated Salary Increase (Refer to Slide 8)	\$48.5 million	
Cost for Locally Funding Salary Increases	<b>\$12.0 million</b>	
Less Funds in Board's Proposed Budget (Refer to Slide 9)	\$13.2 million	
Local Savings	<b>(\$1.2 million)</b>	<b>(\$1.2 million)</b>
Local Cost for State-Legislated Salary Increases (Refer to Slide 8)	\$3.5 million	\$3.5 million
Total Cost for All Salary Increases	<b>\$2.3 million</b>	<b>\$2.3 million</b>

Includes new certified scales with smoothed supplements and 4% to principal supplements as well as 4% and/or \$16/hour minimum for all classified with 4.5% to admin/tech band/SLT.

Why? Because the state assumes more of the cost to move to \$16/hour minimum when they move from a 2.5% to 4.0% salary increase.

# 2022-23 Operating Budget Reconciliation & Compensation Recommendations

## Local Amount to Reconcile

Staff Compensation Cost	\$2.3 million
Employer Retirement Rate Adjustment 24.19% to 24.5%	\$0.9 million
County Appropriation Requested vs Actual	\$6.0 million
<b>Total Amount to Reconcile</b>	<b>\$9.2 million</b>

## **Recommendations to Reconcile \$9.2 million**

Indirect Cost Revenue increase based upon final 2021-22 → \$3.0 million

Repurpose Lapsed Salaries → \$3.0 million

Increase Fund Balance Appropriation → \$3.0 million

Cooperative Innovative High School Business Case → now State funded → \$180,000

Replacement Furniture budget reduction based upon used inventory level → \$59,000

## **Recommendations**

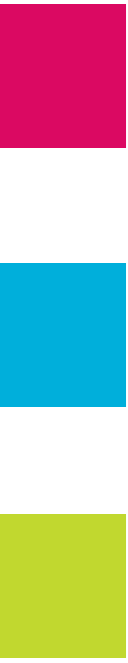
Funding for all Business Cases in BOE Proposed Budget is maintained, including:

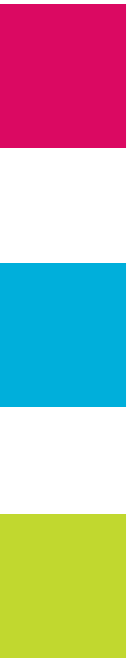
- Compensation changes including today's recommendations
- Operating costs for new schools & school changes
- Program Continuity
- Deferred Operational Needs
- New or Expanding Programs

## Next Steps

- August 16 Board approval of budget reconciliation & compensation recommendations
- Implementation of compensation changes including retro pay to July 1 on September payroll

## Q&A





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