

Budget Development Committee
12/18/2018
1:00pm-2:30pm
Administration Office – Room 123C

Attendees:

<input checked="" type="checkbox"/> Dr. Hardebeck	<input checked="" type="checkbox"/> Abby Johnson	<input checked="" type="checkbox"/> Aaron Harder	<input checked="" type="checkbox"/> Lori Bica	<input checked="" type="checkbox"/> Chris Hambuch-Boyle
<input checked="" type="checkbox"/> Kay Marks	<input checked="" type="checkbox"/> Jim Schmitt	<input checked="" type="checkbox"/> Kim Koller	<input checked="" type="checkbox"/> Mark Goings	<input type="checkbox"/>

TOPIC	DISCUSSION
1. Public Comment	<ul style="list-style-type: none"> • Marcus, Dustin, Ben – hand out • How can salary be fair and equitable if these new hires are coming in with less experience and making more money? • All below colleagues that they are teaching the same thing - Still losing out • There are lots of employees who can say they lost money, but none can say that they lost a level • The gap group experienced \$10K in losses because they were jumped based on years of experience • They would like to be on step D to be equitable and then moving along the schedule each year since implemented • We are not looking to recoup losses, but looking to be placed on step • Stephanie Sturgis – hand out • Glitch and gap are same • Started collecting in 2015 prior to the pay scale implementation • 2008-2010 frozen on step 1 or 2 and • 2008 hire – as an 8th year teacher went on A – moved to B – new pay scale a 5th year will match on year 13 • Husband is on F and she is on D and the only differences is the hire date • Group definition is different than others – has talked to lots of people at all levels to gain a true understanding of who the group is • Mackenzie – inequities – hand out • Mark – board has heard inequities urges to make a decision on gap group
2. Gap group	<ul style="list-style-type: none"> • Abby's Power Point • Board heard inequities and gave the staff an opportunity to address inequities and were mailed letters to make sure that they had opportunities to appeal their letters • Gap group definition #1 – those hired before 2008 • Going out on a limb to take the salary schedule • What about the second level to those in the group? • Lots of groups saying that they are part of the gap group • Have gone through each group to see to see what the group really is



- We were distracted with other budget issues – we are not at a place we can look at the ways to increase the budget
- How does the comment match other colleges can say they are making more?
- Defined by hire date is a note to the gap
- Would like to understand the math better
- We have tried to isolate the problem and there are always people who feel outside of the group that should be included
- If we are hiring at level C – is it still happening – level jumping?
- We don't look at years of experience – our model is market value
- When we created the model – there were multiple employees who weren't being recognized on their years of experience
- We are price matching to get them here and onto our schedule
- The old model is part of the picture and is the problem
- There have been concerns from the board that we are bringing people in that were making so much more than current employees
- There was an effort in this last round of hiring to make sure that there was not leap frogging
- There were 4 this last hiring season
- Market value seems like outside the district years of service seem more important
- Many companies face having to hire at higher rates and making equity adjustments
- Transition from the old to the new is playing a part in the issue – the compensation committee talked about having a minimum
- Budget development denied this at the time
- We have a unique salary schedule
- We have to make tweaks in regard to our budgetary constraints
- Have to look at the budget as a whole and play that to the strategic plan – we need to prioritize
- Want to take another pass at the formulas
- Do we play the market, or do we want to keep our high-quality staff – it's a free market – people say they can get more and will go
- How do we define the category and how do we get the board to implement a change or we may decide it just costs too much and we cannot afford the change?
- Board has been hearing about these staff concerns – they are the future of the district
- Would you like to take an equity committee to the Board? Board will give them a charge and timeline
- What about a subcommittee of this group? It is very confusing to understand
- Aaron was volunteered to be on a subcommittee to run numbers
- Stephanie Sturgis will help on the committee

	<ul style="list-style-type: none"> • Motion a subcommittee to address the gap group and attach some data and numbers so the Board can make some decisions • Bigger picture – not really about one group or another – want group to be evolving – there will always be compression – don’t want to keep new salaries low – formula to how to visit this to equity issue • Have group meet before next BDC Meeting • Can Aaron... Come up with a definition of gap group that we believe is comprehensive and accurate including some suggestions for a fix Get a timeline to report back to committee in January • Want equity adjustments to be part of something we work into the compensation schedule • When you lead a district in these times and when we have been on this 25-year road of underfunding and Eau Claire didn’t levy to the max because of Uniroyal was closing and our community was hurting • We are going to get through it and fix it but there are a lot of other big things that we have to fix too • Bleak financial times – trying to come to terms with this • Referendum – we went as far as we could to pass – would be in a different place if it didn’t pass • Community rallied around the referendum, but it is most likely due to the Board picking that sweet spot for the community to be okay with • We are building a track record for success to do on time and on budget – looking good to be done by the end of the summer • Public Comment feedback requested based upon Committee discussion • Group is aware that the definitions are difficult to understand • Gap can be broad • Glitch is a problem • Be careful on the hire dates – 2011 is now 2 levels above • Need to go back to the old schedule • It could have been fixed at the transition • It is pre-transition – was old schedule issue • Would like to be part of the sub committee • Staff present indicated they appreciate the Board looking at this
<p>3. OPEB Discussion</p>	<ul style="list-style-type: none"> • Abby’s PowerPoint • No vote has delayed any budget impact even further • There are a lot of unanswered questions • Did not think that this is how this meeting would go • There is no nonaction we can take to make closure • Goals – values retention • Tried to account for that but people really don’t like it and are talking about leaving because of it



- Why delay something that has been so delayed is a valid question – but has to do with the length of time before we see savings and the time frame of the decision
- Should we connect this to our next biennium budget
- Have a fiduciary decision – but also empathize to not break promises
- Those promises were made to be broken
- They were designed to fail
- We still have \$3.2M deficit
- There is a feeling that we won't have a budget at the end of the summer- will be in a holding pattern for 19-20 budget planning
- Salary schedule changes alone – \$900K – cost of doing business (2%)
- We don't know what insurance premiums will be – we are out to bid now
- That is going to play heavily into budget planning
- 78%/22% split with salary and benefits
- We are concerned that it will be more than \$1.5M in salary and benefits
- Say we go into a cut mentality – if we cut \$3M out of the 22% that is about a 10% cut
- If we take \$3M out of 78% is about a 2.5% cut
- What are our options?
- Options being presented are threats – they are threats to the district not to the employees
- Class size increasing is a low hanging fruit
- Program modifications
- Cut fine arts and athletics – non-choices?
- Are you going to cut curriculum work?
- Working on structure at Middle School level
- Are we going to continue to defer projects?
- Professional development?
- We have reduced PD a great deal – we could cut as deep as we want – it's an option
- Then you have things to the 80%
- Increase deductible, increase employee portion, reductions in staff
- What is the implication to keep using the Fund balance?
- It is based on the assets – you cannot spend down on that
- Florence WI – state took over the district because they got too low into the fund balance
- One conclusion after last night – will not act on OPEB and will not anytime soon
- Happy to take a skeptical approach to this – we don't care what good things might happen, but we need to prepare for the bad thing that is coming
- Freezing the salary schedule affects it in the same way
- Want to get the word out – here is our reality – help us see it differently
- Encouraged that we told people to share their conversation
- Discouraged that people don't feel like they can say their ideas



- We are about moving forward together
- Difficult to lift the groups to show them that we are listening
- Include these conversations in the "then what" conversation – include the 22% and all we have done to reduce that section of the pie
- We are constantly cutting the 22% - we need to ask the question – are we touching the 78% or not?
- Increased class sizes are going to need a priority
- We looked at the secondary schedule - we took them to the midpoint, and it was a big deal
- Think that we are saying the right things, but people aren't hearing the right things
- Scared about the personal impact if we go into the 78%
- Want to be connected with staff as we make cuts to compensation
- Big take away from the meeting last night – this Board is all about the grow mindset
- We need to prepare for our reality – and as a committee we need to prepare a statement
- Includes the work with the staff
- Messaging and engagement with staff is important
- High engagement makes knowledgeable people
- If you go into salary you have an eventual effect on retirement
- There is an inequity being said that it is on the backs of the 300 people
- Want to be able to argue your point for you
- If we are hearing something from a bunch of people, we should be talking about this
- Want to be able to show our work
- We cannot put OPEB aside
- Seems like there is something on the table we can take action on
- It was a VERY stressful experience going through the budget last year
- We have started the budget calendar and want to bring to BDC
- We don't have 12 months to make the non-choices
- We had the December timeline so that people had time to look into the options
- Board gave us a directive to create next steps
- We need to announce salaries by April
- Board needs to see the budget timeline
- We could talk to the board about thresholds
- We have to make significant decisions by what date?
- We need to tinker with the 78% for 19-20
- What are the combinations to make it enough?
- We have drop dead dates!
- What does holistic mean?
- If we look at culinary and look at each individual thing – they are all great ideas – they will all be yes, yes, yes!

	<ul style="list-style-type: none"> • We need to step back and figure out what the no's are and we need to be able to justify it and to explain why we are saying yes to other things • OPEB will not result in saving for this year and this is why we need to be talking about the other stuff too • What do we cut and why – staff is involved, and they know why • Referendum had 22 class size hires • Went to midsize – and staff were confused • \$2M we spend on coaches – lit coaches • Could that be reconfigured in the PLC piece? • Coaches go into the classroom for embedded professional development • We have formulas that should accommodate needs for each building • Could redeploy those lit coaches into the classroom – they may or will leave because they are highly in demand • 2% at the top each year on the salary schedule is a lot • Title 1 – has that been smoothed across each building? • Will be unlikely we will have Title 1 in each building • Teachers want more interventionists because it is easier to take the kids out of the classroom – coaches working side by side is much more effective to keep them in the classroom • We need the perspective of the whole committee • We know the strategies, but they may not be palatable • Want to try to talk to staff • Talking to other entities to revisit health in Chippewa Valley • We are out to bid, coming back early January • Why hasn't the Board been involved in the health bid? • Engage staff • Inform staff • Board context for these decisions • Want direction in where we need to go
4. Future Agenda Items	<ul style="list-style-type: none"> • Budget planning (referendum)

Next Meeting: 1/15/2019