



COLORADO SCHOOL DISTRICT 27J
GOVERNING POLICY OF
THE BOARD OF EDUCATION



Policy 3.G – COMPENSATION & BENEFITS

Date Adopted/Last Revised: January 27, 2009

Management Limitations

**Executive Limitation 3.G
Compensation and Benefits**

To: Board of Education

From: Dr. Chris Fiedler, Superintendent of Schools

Re: Expectations of the Board – 3.G Compensation and Benefits

I hereby present my report on Compensation and Benefits, Executive Limitation 3.G, in accordance with the schedule as set forth in Board policy. I certify the information in this report is true.

Signed: _____ Date: March 9, 2021

Superintendent, 27J Schools

The Superintendent will not cause or allow jeopardy to the organization’s fiscal integrity or public image when dealing with employment, compensation, or benefits for employees, consultants, or contractors.

I interpret cause or allow jeopardy to the fiscal integrity or public image of the District to mean that I must ensure that District-funded personnel costs will not produce an unfunded obligation for the District such that the District will not be able to meet its payroll and service payables. The District also conducts background and reference checks and completes CDE licensure verifications as appropriate in order to not impact negatively the district’s public image by employing unqualified personnel.

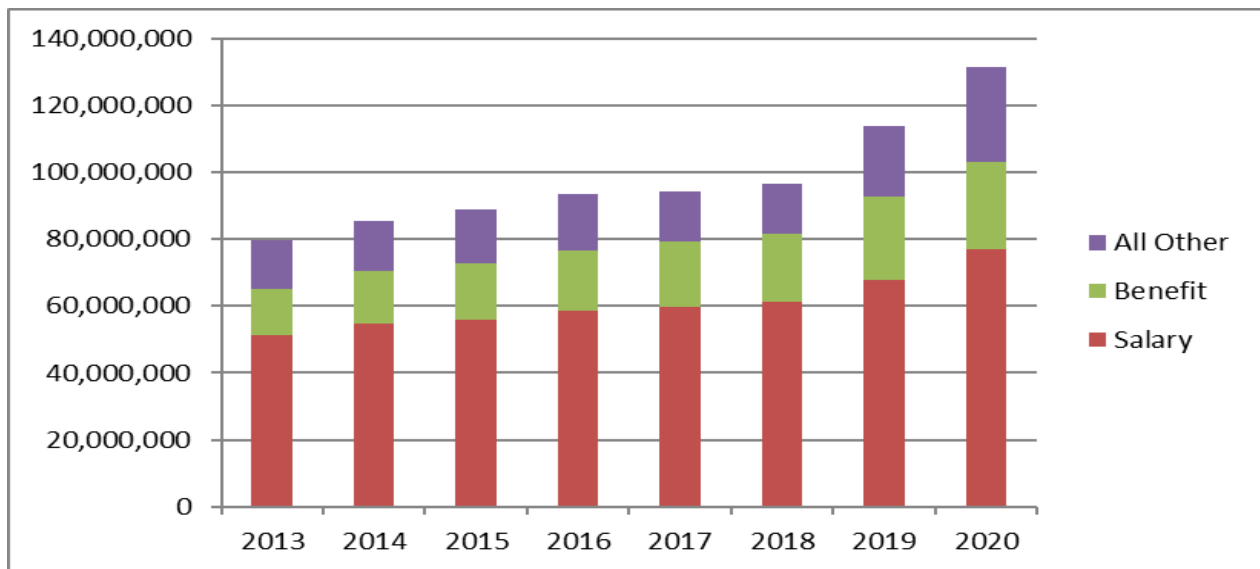
I interpret consultants and contractors as suppliers who provide specialized services. These individuals are on contracts which are temporary in nature with a start and an end date agreement.

Data Reported

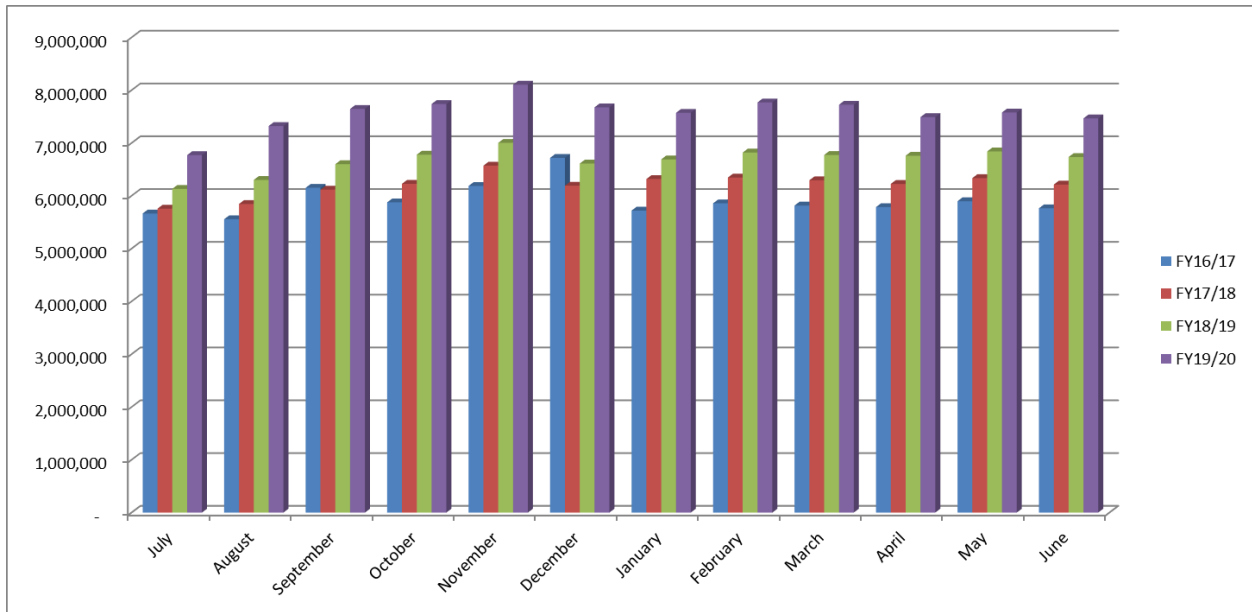
For fiscal year 2019-20, \$107,827,959 is budgeted for salaries and benefits in the General Fund. Actual expenditures for the fiscal year are \$103,089,189 or \$4,738,770 less than the revised budget. The difference is primarily due to budgeted reserves for staffing allocations and compensation for current and future fiscal years.

Salaries and benefits currently account for 78.5% of General Fund expenditures. The graph below shows the expenditure history in salaries and benefits for the past eight (8) years. Salaries are approximately 60% of the total budget.

Salary and Benefits vs. Total General Fund Expenditures



Below is an illustration of personnel costs (salaries) for fiscal year 2017 through 2020. The District paid 3.7% negotiated compensation increase district-wide in fiscal year 2017-18, a 3.93% district-wide in 2018-19, and a 4.0% increase in fiscal year 2019-2020.



To protect the District’s public image, the District conducts background checks and reference checks, drug testing as required by law, and completes licensure verifications for certified staff. This prevents the District from employing unqualified or unsafe personnel, which would negatively impact the District’s public image.

The image of the District as it pertains to employment can be measured by the number of position openings versus the number of applicants. An organization that possesses a valuable reputation as a quality employer will have a large number of applicants for its available positions.

The graph below compares the number of new certified and classified hires to the numbers of applicants for these positions.

Certified:

Year	Applicants	New Hires
2019-2020	1111	145

Classified:

Year	Applicants	New Hires
2019-2020	805	142

Poorly performing employees and employee misconduct were not allowed to jeopardize the District’s public image without action.

Turnover Causes - Classified Staff 2019-2020

Retired	Resigned	Dismissed	Pos Elim	One Year Only	FMLA Ended	Probationary Period	No Call No Show	Deceased
10	129	3	30	0	3	6	3	2

Turnover Causes – Certified Staff 2019-2020

Retired	Resigned	Non Renewed	One Year Only	LOA	110	Deceased
10	72	15	2	8	1	1

With regard to investigations and employee discipline, the District works to handle situations promptly, legally, and fairly to prevent extensive and lasting damage to public image. The District’s actions are consistent with Board Executive Limitations and Superintendent Policy.

A further indicator of compliance with Superintendent Policy is in the successful completion of negotiations with the employee associations. In the spring of 2020, interest-based negotiations culminated in contracts extending through June 2023 for both employee associations. In anticipation of the expiration of the contracts, employee associations and district staff continue to meet to draft potential contract changes.

Conclusion: I report compliance.

The Superintendent will not:

1. Change his or her own compensation or benefits.

I interpret change his or her compensation and benefits to mean: The Board of Education sets the annual compensation and benefits package for the Superintendent.

Data Reported

I have not initiated any changes to my base salary, benefits, and/or other financial incentives outside of those outlined in the contract between myself and the District executed November 12, 2019 for the period July 1, 2020 through June 30, 2021, I was given a 3.47% increase.

Changes to my annual contract are initiated by Board of Education, implemented by Human Resources and reviewed for quality assurance by the Payroll department. In addition, external auditors include this review as part of their auditing process and report.

Conclusion: I report compliance.

The superintendent will not:

2. Promise or imply anything other than “at-will” employment except designated classified and certified employees.

I interpret at-will employment to be an employment relationship that can be terminated by either party at any time for any reason.

I interpret designated classified and certified employees as those employees who have entered into an express contract governing the employment relationship and those who are covered under a union collective bargaining agreement.

Data Reported

Applicable state and federal laws along with Superintendent Policies, Master Agreements and other employment-related contracts prohibit language that indicates entitlement to employment beyond the current fiscal year and provide for staff reduction as may be required. These documents provide for the discontinuance of the employment relationship as defined below:

Exempt Staff:

Certain employees within this classification are employed on a year-to-year basis and provided with an updated contract annually. Employees who are not issued contracts are employed on an at-will basis and the employment relationship can be severed at any time by either party.

Certified Staff:

State Statute C.R.S. 22-63-203 (2)(a) *Teacher Employment, Compensation and Dismissal* indicates that all teachers new to the District, regardless of their previous experience, are subject to non-renewal during the first three years of employment.

Upon completion of the probationary period, teachers are subject to C.R.S. 22-63301 *Teacher Dismissal* and are therefore subject to dismissal on statutory grounds. The statute and the Master Agreement require that the removal of non-probationary staff must be based on just cause and due process. The Master Agreement under Article 7 – Evaluation has a process for supporting and dismissing non-probationary teachers for teaching performance called the Intensive Track.

In the case of a reduction in force, the certified bargaining agreement contains specific guidelines for the implementation of a reduction as outlined in “Article 11 – Reduction in Force.” The ability to implement staff reductions supports a year-to-year employment relationship.

Classified Staff:

Reductions in force for classified staff can be accomplished as outlined in the Classified Master Agreement Article 13 – “Layoffs” and Article 14 – “Reduction in Force.” Classified staff can be reduced with ten (10) days’ notice.

Substitute Staff:

By virtue of there being no contract, substitute staff are at-will employees. The employment relationship can be severed at any time by either party.

Conclusion: I report compliance.

The superintendent will not:

- 3. Establish current compensation and benefits that deviate materially from the geographic and/or professional market value for the skills employed.**

I interpret deviate materially from the geographic or professional market to mean salary plans and other financial enhancements, as part of total compensation, will align with our organizational value of providing employee compensation at a level that allows us to become and remain an employer of choice in the market while remaining financially responsible.

Data Reported

Salary Comparison:

The District works to remain 5% below to 3% above the market average in minimum, midpoint, and maximum salaries. Our market is composed of eight nearby school districts.

In February of 2020, Oehm Consulting Services, Inc. (OCS), the District’s compensation consultant, conducted an annual salary survey comparing Denver metro-area school districts’ “benchmark positions.” These positions are common among districts. The summarized results for Exempt and Classified positions are as follows:

Position Category	Salary minimum % over (+) or under (-) market	Salary midpoint % over (+) or under (-) market	Salary maximum % over (+) or under (-) market
Exempt	-9.64	-8.81	-8.22
Classified	-4.8	-7.1	-8.6

For compensation purposes, market comparisons are conducted on a three year rotation. In the spring of 2019 the District changed its market tolerance low from -7% to -5% to keep pay competitive in a fast growing economy. Classified positions received market adjustments totaling \$680,475 for 2019-2020 school year and \$586,017 for the 2020-2021 school year. Exempt staff positions are currently being reviewed. Exempt position market adjustments, if approved, would be applied to the 2021-2022 school year.

For certified position, an analysis of selected points on the salary schedule was conducted by 27J HR in February of 2020 by comparing salary schedules of 7 of our market districts. The summary of results for certified positions within our market is as follows:

Position Category	Base salary % over (+) or under (-) market	BA Step 10 % over (+) or under (-) market	MA Step 1	Salary schedule maximum %
Certified	-11.8%	-13.54%	-18.77%	-11.35%

In addition to base compensation, certified staff members have a number of opportunities to earn additional pay, or stipends, for additional work. These amounts are awarded contingent upon completion of tasks agreed upon in the Certified Master Agreement. Stipend amounts vary widely between districts and positions as is illustrated in this report in the Appendix.

Benefits Comparison

Benefits Background:

More than a decade ago the District embarked introduced and funded Health Savings Accounts for those members eligible for such an account. HSA participation requires membership within a qualifying high-deductible health plan. The District also offer a deductible HMO plan (DHMO). Both insurance plans are offered by Kaiser although we use HSA bank to administer the Health Savings Accounts.

The key benefit of HSAs is that 100% of the money from 27J Schools that goes into these accounts can be used on health care expenses and that any unused funds from one year, carry over in our members’ accounts to the following year. This cuts out the “insurance leak or profit” that we experience on money paid to Kaiser for insurance coverage. Our plans balance the security of comprehensive insurance from Kaiser, with the savings and incentives for members to invest in their own health that Health Savings Accounts provide.

1. Our total costs of health care insurance (Kaiser premiums plus HSAs) compare well with other school districts and the actuarial value of the plans provided. Our plans continue to offer a higher actuarial value for each dollar we spend as a district than other school districts.
2. The share of costs that we pass onto employees are within the range of highest to lowest offered by other school districts.
3. Every year we have increased the average HSA balances across our membership. The impact of this is that, on average, our members enjoy better coverage with each passing year, which is exactly the opposite of how most plans operate (where each year a premium increase and a benefit reduction have been “par for the course”).

Market Comparisons:

- The District contributes \$295 to HDHP employees into HSA accounts. Only two of the seven other districts contribute to HSA accounts at \$127 and \$59.50 respectively.
- The market average employee-only cost to the employee across all plans is \$43.71 per month. The average cost to the employee of the two 27J plans is \$36.00 per month. On the HDHP plan members pay \$0 and receive \$295 in HSA funding per month.
- The market average of employee/family plan cost to the employee is \$1,042.59 per month. The average of the two 27J plans is 1226.13 per month. In HDHP, 27J contributes \$590 to HSA funding per employee per month.

Staff Wellness-Self Care

2019-20 Programs, Event Challenges & Activities Highlights
<p>Overall Engagement: Our Most Valuable Participants’ (MVP’s) - employees intentionally or in some cases unintentionally explored and acted upon self-care behaviors and habits through our offered events or on their own many having shared their individual successes with us.</p>
<p>Mental Health First Aid Training: We provided two separate trainings for any district employee who wanted to attend on a first come, first serve basis. Our employees were taught how to identify, understand and respond to signs of mental illness and substance use disorders. Survey responses were very favorable.</p>
<p>Self-Care: Take Time for You – Summer Series Training: Class participants over the course of 6-weeks were introduced to ways and means to thrive as a human and an educator. Mindfulness, reflection and both weekly and daily self-care activities were offered as manageable research-based strategies to discover a clearer path towards well-being and individual self-care.</p>
<p>Employee Assistance Program Promotion: During the 2019-2020 time period - Resources for Living – introduced a new offering entitled “MyStrength”, which provided us access to a variety of tools. These tools allowed employees an avenue to begin making positive life changes, strengthening minds and bodies in a confidential mode. Total member utilization of services for counseling support increased overall as well as the use of different mediums (face to face, telephonic, televideo).</p>

SMART – Mindfulness in Education Workshops:

PassageWorks Institute workshops were popular again during this timeframe. Stress Management and Relaxation Techniques in Education™ SMART in Education is an evidenced-based personal renewal program designed especially for educators working in K-12 settings. SMART supports teachers and all district personnel in: re-connecting to personal and professional meaning and purpose; finding balance and cultivating emotional intelligence; and improving mental and physical health.

Kaiser Permanente Member Registrations and Flu Vaccines:

Our kp.org registrations continued to be higher than the overall industry average. Flu vaccine protection during this time was steady despite the sharp (16%) increase with Influence A at the latter part of this reporting period.

New Teacher Orientations:

An approximate 215 new teachers to our district were provided, if they desired, during the course of one training session to engage in a Self-Care practice. The offered practices ranged from Meditation (packed at every session) to a form of Drumming for stress relief. The goal with new teachers was here and is always to confirm that they know they have permission, and are encouraged to find ways to establish self-care practices that will greatly assist them throughout their first few critical years of teaching.

Conclusion: I report non-compliance.

The superintendent will not:

- 4. Pertaining to consultants and contract vendors, create obligations over a longer term than revenues can be safely projected, in no event longer than one year.**

I interpret obligations to mean total compensation costs, inclusive of accrued benefits paid out on an annual basis.

I interpret one year to mean the fiscal year beginning July 1 of any given year and ending June 30 of the following year.

Data Reported

Each year the District purchases a variety of services. From July 2019 through June 2020, we had 950 instances where services were purchased. Most of those services were a one-time event or fall within a single fiscal year. If for any reason the services provided exceed a fiscal year, a contract is written, each of which includes a non-appropriation clause which enables the District to terminate the agreement at the end of the contract period without further obligation or penalty. This termination may be done in cases where the District is unable to obtain funding for future payment obligations on the contract. Such clauses are required to be compliant with the Taxpayer Bill of Rights (TABOR).

Conclusion: I report compliance.

The superintendent will not:

- 5. Establish or change retirement benefits so as to cause unpredictable or inequitable situations.**

I interpret unpredictable or inequitable situations to mean those occurrences in which employees are entitled to financial enhancements that are in addition to base compensation and contribute to total compensation which cannot be planned for in the current fiscal year or three-year projections budgeting process. The three-year projection is reasonable because the revenue projections are based upon Colorado Department of Education data, current legislation impacting the School Finance Act, CSAFE and Colorado Trust, as well as historical trends for specific ownership taxes and collection of property taxes.

Data Reported

All employees are covered by the Public Employees Retirement Association (PERA) which provides a defined-benefit pension to qualified retirees from the District.

In addition, certain employees with 20 or more years of service are eligible for additional benefits from the District upon their retirement. While the District plans annually for these service benefits, they are not considered an unfunded liability per the Governmental Accounting Standards Board as verified by external auditors.

Certified Long-term Service Benefit

Currently twelve certified staff members who have 20 or more years of service are eligible for a long-term service payment per section 10-10-1 of the BEA Master agreement. Eligible employees who voluntarily resign or retire shall receive a payout that equals the difference between the teacher's actual salary for the 2008-2009 school year and the \$45,128.65 average salary of full-time teachers hired by the District during that school year.

If all ten certified employees were to claim this average benefit a resulting liability of approximately \$198,196.86 would be incurred.

This benefit is being phased out and no additional administrators or certified staff members will be eligible for this benefit in the future.

The following budgetary sources are available in the unlikely event funding is needed to cover the potential liability:

1. The District has 463 probationary teachers who could be non-renewed at an average salary cost of \$55,583 each and an average benefit cost of \$19,454 per person for a total of \$34,742,131.
2. The District has 721 classified staff who could be reduced with a 10-day notice. With an average classified salary cost of \$25,283 each and an average benefit cost of \$8,612 per person, portions of the total \$24,438,295 liability could be realized from this employee group to balance a fiscal need.
3. The District has 129 administrative/professional technical staff members who are on year-to-year contracts and may be reduced as necessary, representing an average salary cost of \$86,676 each and an average benefit cost of \$30,336 per person for a total of \$15,094,548.

The current structure of retirement benefits is equitable across employee groups. Retirement payouts are being phased out in all employee groups. Only a limited number of employees who

are “grandfathered” into the program are eligible for the payout and no new employees will become eligible.

In addition, these benefits are relatively predictable. In the case of certified employees, the payout is a static amount that can be calculated now and predicted in future budget years. In the case of classified staff, the payout has ended. District retirement benefits are now both predictable and equitable.

Conclusion: I report compliance.