



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: Will Pierce, 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 12, 2025

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.*

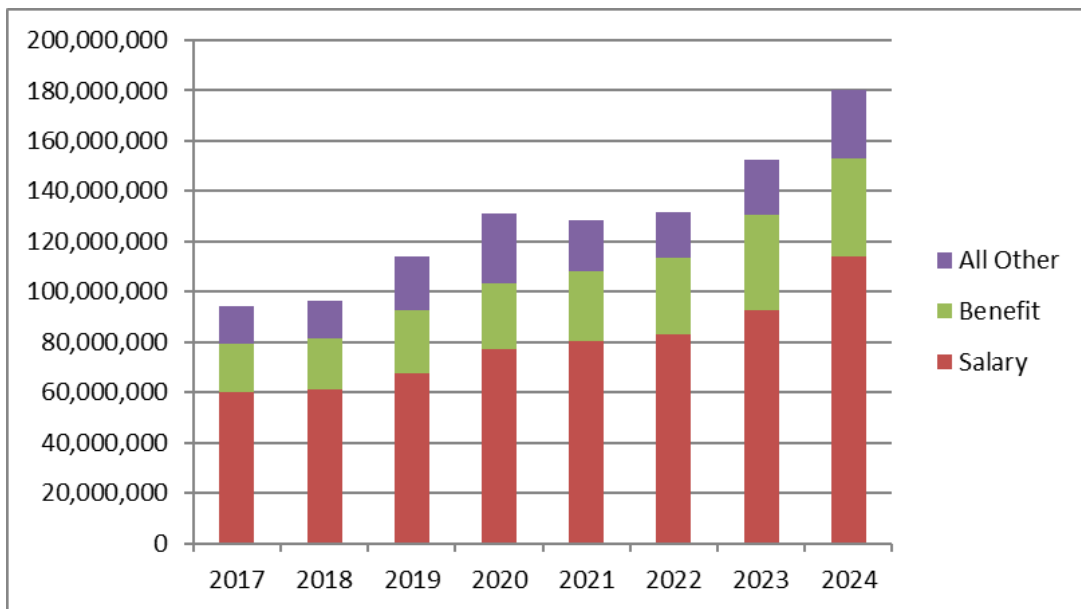
*I interpret consultants and contractors as suppliers who provide specialized services. These individuals are on contracts which are temporary in nature with a start and an end date agreement.*

### **Data Reported**

For fiscal year 2023-2024, \$209,453,860 is budgeted for salaries and benefits in the General Fund. Actual expenditures for the fiscal year are \$152,953,701 or \$56,500,159 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 84.4% of General Fund expenditures. The graph below shows the expenditure history in salaries and benefits for the past eight (8) years. Salaries are approximately 63% of the total budget.

**Salary and Benefits vs. Total General Fund Expenditures**



## Salary and Benefits vs. Total General Fund Expenditures

Overall negotiated increases:

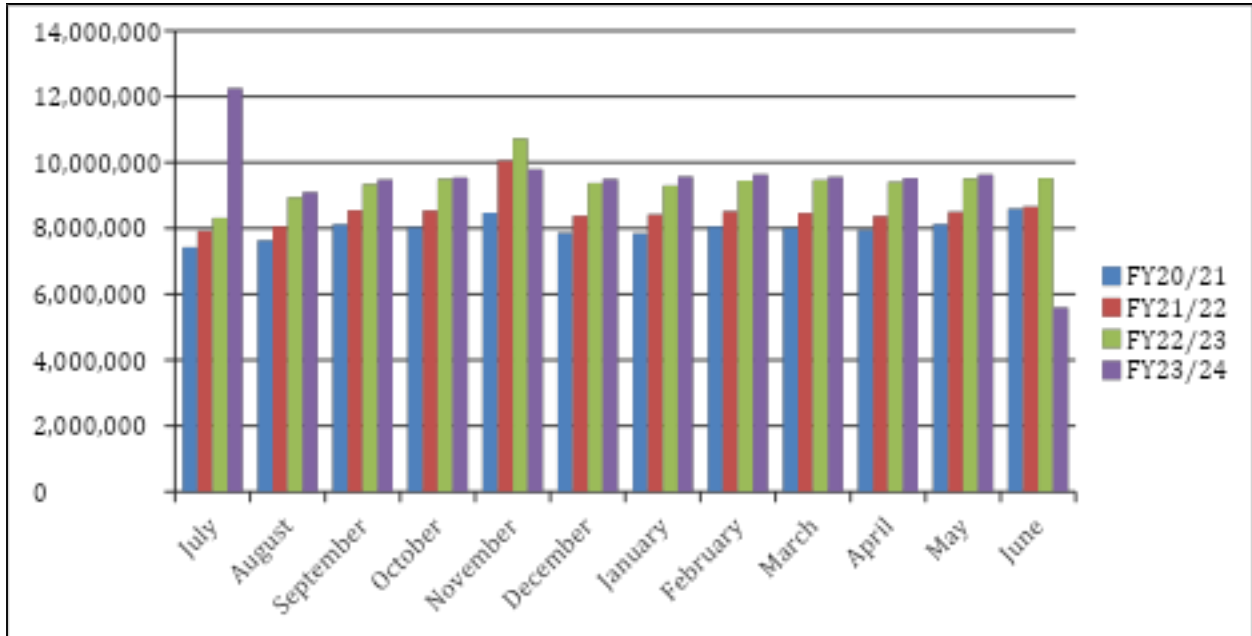
FY22: 3.93%

FY23: 4.0%

FY24: 6.8%; MLO: 2.48% to classified; 9.6% to certified

FY25: 8.6%

Below is an illustration of personnel costs (salaries) for fiscal year 2021 through 2024.



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:**

<b>Year</b>	<b>Applicants</b>	<b>New Hires</b>
2024	1364	171
2023	1172	220
2022	1383	193
2021	1111	145

**Classified:**

<b>Year</b>	<b>Applicants</b>	<b>New Hires</b>
2024	1858	237
2023	1479	232
2022	1558	163
2021	1245	176

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

**Turnover Causes - Classified Staff**

Retired	Resigned	Dismissed	One Year Only	FMLA Ended	Probationary Period	No Call No Show
20	176	12	0	2	24	4

**Turnover Causes – Certified Staff**

Retired	Resigned	Non Renewed	One Year Only	LOA	110	Deceased
13	96	13	0	2	1	3

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 and continued engagement and problem-solving with both associations. In the spring of 2024, interest-based negotiations culminated in contract extensions.

**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 July 1, 2024 for the period July 1, 2024 through June 30, 2025.

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:**

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:**

In the spring of 2024, the District negotiated compensation increases with certified and classified employee groups. All 3 employee groups received an 8.6% overall increase to their compensation structures. The past three years of compensation increases each represent the highest three increase totals in recent memory.

Further, the District maintains an additional mechanism to target individual positions to match the position salary range to other comparable districts, “The Market.” The District works to remain 5% below to 3% above the comparison average with area school districts in minimum, midpoint, and maximum salaries.

Each year, Oehms Consulting Services, Inc. (OCS), the District’s compensation consultant, conducts salary surveys among Colorado school districts to support analysis. For compensation distribution purposes, for budget stability, for predictability, and for general fairness for all positions market comparisons are conducted on a three year rotation. In the spring of 2019 the District changed its tolerance target low from -7% to -5% to keep pay competitive in a fast growing economy.

#### **Certified Staff:**

The 27J Mill Levy Override was a key factor in adjusting certified salaries in 2023-2024 for the first time. For certified positions, 27J use 6 selected points on the salary schedule to compare against a group of area school districts. The group average of the 6 selected points shows 27J within the 5% range at 4.05% below the group median. The 27J starting salary is 6.1% behind the group median. In part this underscores that 27J is working to move the salary of all staff together (all boats rise together).

#### **Classified Staff:**

For 2023-2024, classified positions were adjusted fully to the OCS recommendations and received salary adjustments totaling \$444,930.04 for the school year.

Exempt Staff:

Exempt positions were reviewed in the spring of 2024 and received additional compensation totaling \$915,000.

## **Benefits Comparison**

### **Benefits Background:**

More than a decade ago the District introduced and funded Health Savings Accounts for those eligible members. 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. The District uses 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 the District (and its plan members) experience on money paid to Kaiser for insurance coverage. The District's 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.

The District maintains an insurance committee with representatives of each employee group (include the CCSEA president and BEA president) that reviews plan options each year and recommends plan design each year to the executive leadership.

27J HDHP HSA accounts total \$7,858,205 for an average of \$5,300 per plan member.

### **Benefits – District Comparisons:**

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 the District passes onto employees are within the range of highest to lowest offered by other school districts.

3. Every year the District has 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").

- The District contributes \$4,150 annually (\$345 monthly) to HDHP employees into HSA accounts. Only two of the seven other compared districts contribute to HSA accounts at \$147 monthly and \$80.00 monthly respectively.

- The comparison districts’ average employee-only cost to the employees is \$48.00 per month. The average cost to the employee of the two 27J plans is \$41.89 per month. On the 27J HDHP employee plan members pay \$0 per month. On the 27J DHMO plan members pay \$83.78 per month.
  
- The comparison districts average of employee/family (spouse/children) plan cost to the employee is \$1,076.82 per month.
  - On the 27J HDHP, plan members pay \$1,288.72 per month; and, 27J contributes \$691.66 per month to HSA funding per family plan member per month.
  - On the 27J DHMO, plan members pay \$1,674.76 per month.

**2024-2025 - Employee Health & Wellness Programs, Event Challenges & Activities Highlights**

**Summary of Employee Engagement:**

Challenge Programs include: Walktober, Spring into Motion, and Colorful Choices.

Program engagement for Walktober increases every year and has grown to 500+ participants.

Walktober friendly competition is amongst 5 other local school districts (Weld RE4, Thompson, D6, and PSD, Fort Morgan RE3).

Feedback from participants in these challenges focused on aspects of increased physical health, community building and social interaction, fun and enjoyment, stress relief, exploring new places (walking routes), goal achievement (distance, steps, etc) , motivation to be active, and a sense of accomplishment.

Event Programs: City of Brighton Turkey Trot Walk/Run, Colfax Marathon Team Relays.

These are two annual events that our staff look forward to and enjoy. Offering and participating in the City of Brighton Turkey Trot is our way of giving back to our community senior population.

The Colfax marathon relay teams are composed of 5 staff members each running different distances to equal a marathon. We average fielding 16 teams annually. This wildly popular event is great for team building, connecting with people and is a positive district initiative.

Staff Rejuvenation Rooms: Space within six work locations throughout the district has been repurposed for reducing anxiety, de-stressing, improving focus, and recharging. Features can

include soft lighting, meditative music, air diffusers, massage tools, stretch areas and are accessible to all staff to use.

Other offerings include:

Employee Assistance Program (EAP) This benefit helps our employees with stress, mental health, relationships, financial, and work balance.

- Employee led mindfulness practice. The facilitator is going on five years of providing a variety of techniques. The practices offer variety and inclusivity. Participating as a group is a powerful experience.
- Employee Wellness workshops and personal development.

The main objective of the different offerings is to support wellbeing. Practical applications of content strives to connect our district's care and employees' values.

**Conclusion: I report 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 2023 through June 2024 is 1,369 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 four 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 four certified employees were to claim this average benefit a resulting liability of approximately \$77,009.91 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 500 probationary teachers who could be non-renewed at a cost of \$43,142,305.
2. The District has 750 classified staff who could be reduced with a 10-day notice \$27,000,000.
3. The District has 149 administrative/professional technical staff members who are on year-to-year contracts and may be reduced as necessary total of \$21,304,415.

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.**