



KENOSHA UNIFIED
SCHOOL DISTRICT



IMPLICATIONS OF ACT 10

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Act 10

- Act 10 was passed in 2011 and was designed to address a projected \$3.6 billion budget deficit
- Act 10 also ended the traditional forms of collective bargaining



What Does Act 10 Do?

- Prohibits negotiations with unions for everything other than base wage increases up to CPI
- Allows districts to unilaterally decide how to administer wages, hours and working conditions for employees, other than base wage increases
- Requires unions to seek recertification each year



Act 10 in KUSD

- March 11, 2011: Act 10 signed into law
- March 18, 2011: Act 10 suspended due to injunction
- June 14: Act 10 injunction lifted
- July 1, 2011: CBA with KEA commenced; set to expire June 30, 2013
- March 2012: Emergency rules for base wage negotiations effective
- September 15, 2012: Emergency rules expired
- November 2013: KEA did not seek recertification for the 2013-2014 contract year, which barred a new certification election until November 2014
- November 2014: KEA certified for the 2014-2015 contract year
- December 2015: KEA recertified for the 2015-2016 contract year

What's Next for the Board?

- Define base wage for teachers
- Provide direction to administration on what to do with salary schedules
- Participate in negotiations with the KEA over the base wage increase up to CPI for the 2016-17 school year
- Board to vote on new structure





BASE WAGE

IMPORTANT

The district will not lower anyone's contract salary, regardless of how we move forward.

* Contract salary does not include any duties/compensation outlined in the former "Appendix C or D."



Problems to Avoid

- A poorly designed salary structure can work against achievement goals
- An unfair structure will cause a loss of competent staff and potential litigation
 - We do not want to cause divisiveness among staff



Problems to Avoid, cont.

- Creating a structure that is not financially sustainable will cause many issues
 - Reduction in force
 - Elimination of programming
 - Lowered morale




2015-16 Teacher Status

STEP	B00	B06	B12	B18	B24	M00	M06	M12	M18	M24	M30	Grand Total
03	227.11	12.00	6.00	7.00	15.50	39.74	1.00	4.00	0.92	1.00	1.00	315.27
04	9.50	2.00		2.67	4.00	5.79	1.00		1.00	1.00	1.00	27.96
05	17.13	4.50	2.00		6.00	10.00	3.00				1.00	43.63
06	12.00	5.83	4.00	2.00	10.00	5.00	2.00	3.00	1.00		4.19	49.02
07	17.00	1.00	2.00	2.00	6.14	20.28	4.50	1.00	2.00	1.00	2.00	58.92
08	10.40	6.00	4.00	1.00	4.00	29.14	4.00	1.00	3.00		7.00	69.54
09	4.62	2.80	3.00	1.00	3.00	16.50	1.00	2.00		4.90	14.00	52.82
10	7.00	3.00	3.00	1.00	5.00	14.49	6.80	9.00	3.00	1.00	7.00	60.29
11	7.00	4.00	6.00	3.00	12.49	31.78	19.50	8.00	6.00	4.50	25.33	127.61
12	2.00	2.00	7.00		6.00	16.67	10.00	10.00	5.00		11.00	69.67
13	2.00		1.00	3.00	8.00	6.60	6.53	5.00	7.00	3.00	31.00	73.13
14	5.00	11.00	11.33	12.10	68.80	18.13	5.00	10.00	4.00	4.80	26.49	176.65
15						54.20	54.26	46.00	34.67	50.02	316.55	555.70
Grand Total	320.76	54.13	49.33	34.77	148.93	268.33	118.59	99.00	67.59	71.22	447.56	1,680.21



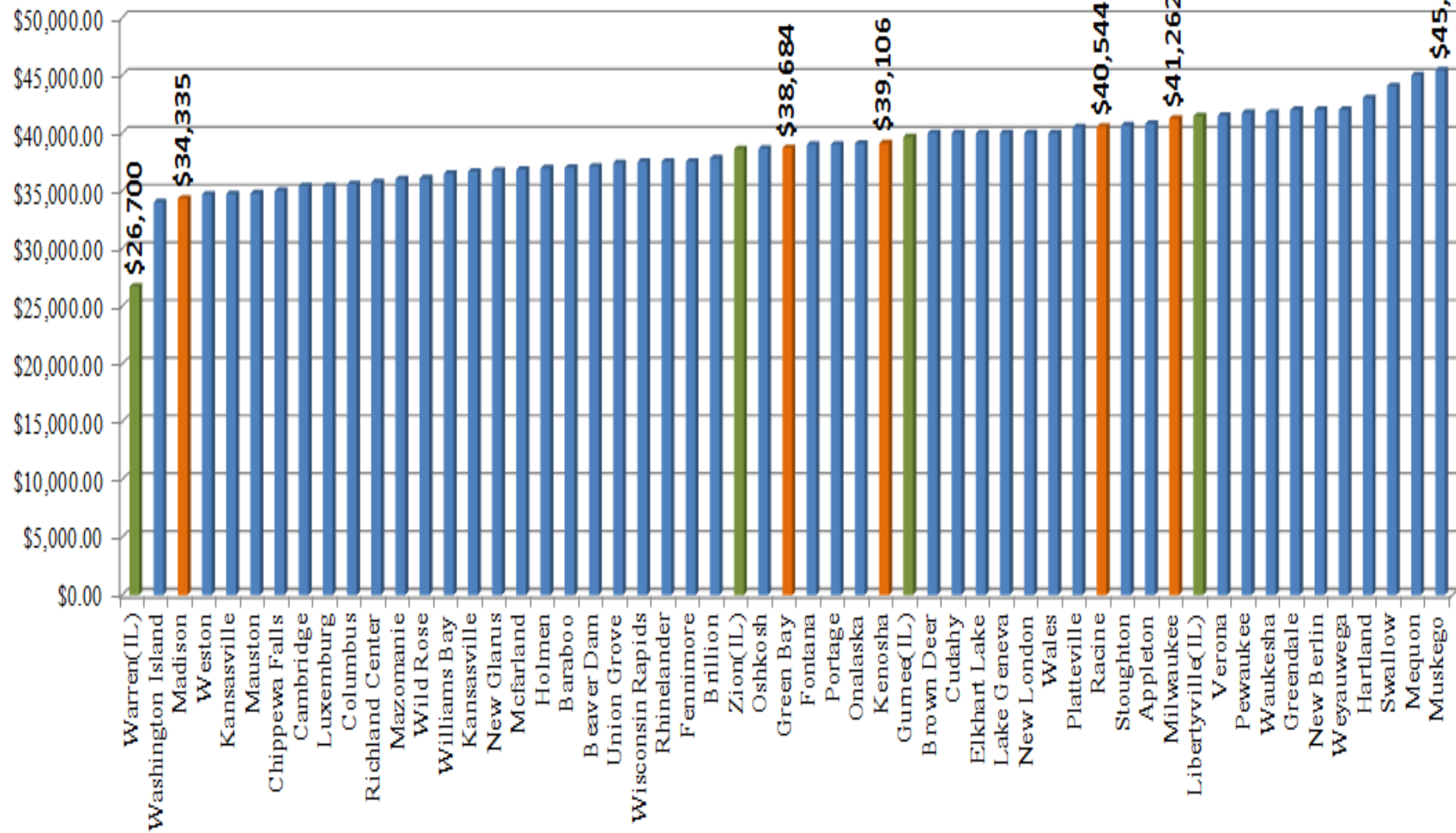
Teacher Increases Since 2005

School Year	Teacher % Increase	
2005-2006	2.75	
2006-2007	2.75	
2007-2008	3.00	
2008-2009	3.50	
2009-2010	2.00	
2010-2011	2.50	
2011-2012	3.00	
2012-2013	3.00	
2013-2014	0.00	Flat amount of \$1,100 prorated on Teacher FTE (one-time non-base building stipend)
2014-2015	1.90	
2015-2016	0.00	One-time non-base building stipend equivalent to 1.5% of base salary, plus \$155 per FTE stipend

 No Steps or Lanes

Note: Increases represented are salary schedule increases only. Step and lane increases are not included.

STARTING SALARY FOR TEACHERS NEAR KUSD



Base Wage Implications

- If the board defines base wage at the minimum hiring wage:
 - More funds may be available for the board to distribute as supplemental pay.
- If the board defines base wage off of current salaries:
 - Fewer funds available for the board to distribute as supplemental pay.

EXAMPLE: Base Wage

If the board were to define base wage at \$40,000 for teachers, someone currently making \$60,000 would then have a \$40,000 BASE wage and a \$20,000 worth of SUPPLEMENTAL compensation.



EXAMPLE, cont.

For the 2016-17 year, we know that we can negotiate up to CPI, set at .12%. This means we could negotiate and increase the BASE wage for each teacher by \$48 because $(.0012 \times 40,000) = \48 if the base wage is set at \$40,000.

This would increase base wage to \$40,048 for the 2017-18 school year.

Minimum Hiring Wage vs. Current

	Base Wage for Negotiations	Current CPI-U	Max Allowable Base Wage Negotiated Increase
Option 1	\$66,249,461	0.12%	\$79,499.35
Option 2	\$102,694,166	0.12%	\$123,233.00
Difference	\$36,444,705		\$43,734

Future Implications

	New Base Wage for Negotiations	What if CPI-U	Max Allowable Base Wage Negotiated Increase
Option 1	\$66,328,960	1.00%	\$663,289.60
Option 2	\$102,817,399	1.00%	\$1,028,173.99
Difference	\$36,488,439		\$364,884

	New Base Wage for Negotiations	What if CPI-U	Max Allowable Base Wage Negotiated Increase
Option 1	\$66,328,960	2.00%	\$1,326,579.21
Option 2	\$102,817,399	2.00%	\$2,056,347.98
Difference	\$36,488,439		\$729,769

	New Base Wage for Negotiations	What if CPI-U	Max Allowable Base Wage Negotiated Increase
Option 1	\$66,328,960	3.00%	\$1,989,868.81
Option 2	\$102,817,399	3.00%	\$3,084,521.97
Difference	\$36,488,439		\$1,094,653

Past and Trending CPI

Beginning date of one year collective bargaining agreement	Applicable CPI-U as determined by WI Department of Revenue
February 1, 2017	0.73%
January 1, 2017	0.68%
December 1, 2016	0.60%
November 1, 2016	0.51%
October 1, 2016	0.40%
September 1, 2016	0.33%
August 1, 2016	0.24%
July 1, 2016	0.12%
June 1, 2016	0.12%
May 1, 2016	0.19%
April 1, 2016	0.31%
March 1, 2016	0.45%
February 1, 2016	0.58%
January 1, 2016	0.73%
December 1, 2015	0.89%
November 1, 2015	1.07%
October 1, 2015	1.25%
September 1, 2015	1.39%
August 1, 2015	1.48%
July 1, 2015	1.62%
May 1, 2015	1.68%
April 1, 2015	1.68%
March 1, 2015	1.62%
February 1, 2015	1.58%
January 1, 2015	1.57%
October 1, 2014	1.40%

September 1, 2014	1.39%
August 1, 2014	1.46%
July 1, 2014	1.46%
June 1, 2014	1.48%
May 1, 2014	1.53%
April 1, 2014	1.63%
March 1, 2014	1.70%
January 1, 2014	1.66%
October 1, 2013	1.79%
September 1, 2013	1.89%
August 1, 2013	1.96%
July 1, 2013	2.07%
May 1, 2013	2.30%
March 1, 2013	2.57%
January 1, 2013	2.96%
September 1, 2012	3.33%
July 1, 2012	3.16%
April 1, 2012	2.65%
January 1, 2012	2.01%
July 1, 2011	1.64%
January 1, 2011	0.97%
July 1, 2010	minus 0.36%
July 1, 2009	3.84%



DISCUSSION

Discuss Base Wage

- How do you want to define base wage for teachers for purposes of negotiations while being fiscally responsible for the district?
 - Example = define base wage as the minimum hiring wage for teachers, which is currently \$39,106



Discuss Minimum Hiring Wage (7/1/17)

- Current minimum hiring wage is \$39,106 for teachers
- Discussion regarding minimum hiring wage effective July 1, 2017
 - Best to roll out in 2017 so all salary schedules/wage rates can first be **created and approved** by the board for consistency purposes



Tasks

- Board to define a base wage for teachers on Monday, Sept. 12
- Board to provide direction to administration on salary structure design on Monday, Sept. 12
- Administration to continue working with the board on a new salary structure
- Board to vote on new structure





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