

PRESENTATION ON
BEHALF OF

THE SOUTH COUNTRY
CENTRAL SCHOOL
DISTRICT BOARD OF
EDUCATION

DETERMINING SOUTH COUNTRY'S ABILITY TO PAY SALARY INCREASES

- The Best Indicator of a District's Ability to Pay Salary Increases is the District's Combined Wealth Ratio or "CWR"

COMBINED WEALTH RATIO (“CWR”)

- The State Education Department Produces a Comparison Statistic to Determine the Wealth of a School District:

CWR:

* Combination of the Property Value Per Pupil (“PVPP”) in a District and the Income Per Pupil (“IPP”)

* These Figures are Reconfigured by the State Education Department into a District’s CWR

* Measures a School District’s ability to raise local revenue and its ability to pay salaries

CWR FOR SUFFOLK COUNTY SCHOOL DISTRICTS

- **Suffolk COUNTY MEDIAN CWR**
***1.331**
- **SOUTH COUNTRY CWR**
*** .994**

**South Country Ranks 45th out of 65 Suffolk
County Districts Reporting in terms of CWR***

* Statistics are from the GEN Reports for Suffolk County
Schools for the 2007-08 school year.

COMPARISON WITH
OTHER SUFFOLK
COUNTY DISTRICTS

SALARY COMPARISON*

SOUTH COUNTRY Ranks:

BA 1

* 14th out of the 36 Reporting Eastern Suffolk Districts at the BA 1 Ranking

* 24th out of the 50 Reporting Suffolk Districts at the BA 1 Ranking

MA Step 5

* 8th out of the 36 Reporting Eastern Suffolk Districts at the MA Step 5 Ranking

* 12th out of the 50 Reporting Suffolk Districts at the MA Step 5 Ranking

MA 30 Step 10

* 11th out of the 36 Reporting Eastern Suffolk Districts at the MA 30 Step 10 Ranking

* 16th out of the 50 Reporting Suffolk Districts at the MA 30 Step 10 Ranking

MA 60 Step 15

* 12th out of the 36 Reporting Eastern Suffolk Districts at the MA 60 Step 15 Ranking

* 20th out of the 50 Reporting Suffolk Districts at the MA 60 Step 15 Ranking

SUFFOLK COUNTY
AGREEMENTS NEGOTIATED
PRIOR TO OCTOBER 2008
WHERE FIRST YEAR IS 2008-09

	<u>08-09</u>
Babylon	2.5%
Center Moriches	3.5%
Deer Park	3.0%
Eastern BOCES	3.47%
Middle Island	3.3%
Three Village	<u>3.0% *</u>
Average	3.1%

SUFFOLK COUNTY
AGREEMENTS NEGOTIATED
AFTER OCTOBER 2008 WHERE
FIRST YEAR IS 2009-10

	<u>09-10</u>
Bayshore	1.0%
Elwood	0.0%
Huntington	2.0%
Little Flower	2.5%
Mattituck Cutchogue	2.25%
Middle Country	1.5%
Sachem	1.5% *
West Babylon	<u>1.75%</u>
Average	1.56%

SUFFOLK COUNTY SETTLEMENTS NEGOTIATED AFTER OCTOBER 2008 COVERING THE YEARS

09-10 and 10-11

	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>
Bayshore	1.0%	2.85%	3.25%
Elwood	0.0%	3.0%	3.5%
Huntington	2.0%	2.0%	
Little Flower	2.5%	2.25%	
Mattituck Cutchogue	2.25%	2.25%	3.12%
Middle Country	1.5%		
Sachem	1.5% *	2.0%	2.0%
West Babylon	<u>1.75%</u>	<u>2.0%</u>	<u>2.25%</u>
Average	1.56%	2.33%	2.82%

DISTRICT'S TEACHER SALARY PROPOSAL

- The District has proposed the following increases over the course of a four year agreement:
 - 1) 2008-09 – 0% plus increment
 - 2) 2009-10 – 2% plus increment
 - 3) 2010-11 – 2% plus increment
 - 4) 2011-12 – 2% plus increment

BTA'S PROPOSAL

BTA's proposal calls for a 4.25%, plus increment, increase in each year of a five year agreement:

Additionally, The BTA salary proposals include, but are not limited to the following:

- 1) Increases to the existing longevity payments in the CBA and the addition of extra longevity payments
- 2) Increases to the number of steps on the salary schedule from 21 steps to 30 steps
- 3) A 5.5% Index for each added step to the salary schedule
- 4) Increases to the existing Tenure Increment

ADDITIONAL DISTRICT PROPOSALS

- 1) Comprehensively Reform the Course Credit Language Contained in the CBA
 - Note –The 2008-09 Cost of Lane Movement to the District was approximately \$ 750,000;
- 2) Employee Health Insurance Contribution of 20% Annually;
- 3) Two Forty (40) Minute Scheduled Extra Help Periods Per Week;
- 4) Eliminate the \$40,000 “Bonus” Aspect of the Teacher Retirement Incentive and Replace With Special Incentive Effective June 30, 2010.

LONGEVITY INCREASES

Current CBA

* Completed 20 Years of Service (at least 15 in the District) = \$1,945 + Base Salary

* Completed 25 Years of Service (at least 20 in the District) = \$2,511 + Base

* Completed 28 Years of Service (at least 23 in the District) = \$2,754 + Base

TOTAL = \$7,210

* Tenure Increment = \$404 added to base salary each year after tenure.

BTA PROPOSED LONGEVITY

■ **Completed 20 Years of Service** (at least 15 in the District) = \$ 3,600 + Base (increased by 4.25% each year).

■ **Completed 25 Years of Service** (at least 20 in the District) = \$8,266 + Base (increased by 4.25% each year).

■ **Completed 28 Years of Service** (at least 23 in the District) = \$13,369 + Base (increased by 4.25% each year).

■ Additionally, the BTA has proposed a \$3,000 longevity payment after years **30** (or 25 years in the District), **32** (or 27 years in the District), **34** (or 29 years in the District), **37** (or 32 years in the District), **40** (or 35 years in the District), plus base salary (increased by 4.25% each year).

TOTAL = \$40,235

* Tenure Increment = \$1,000 (increased by 4.25% each year).

EFFECT OF SALARY
INCREASES OVER THE
COURSE OF THE
PROPOSED AGREEMENT



ANALYSIS OF UNION and DISTRICT PROPOSALS OVER THE PROPOSED AGREEMENTS

Starting Point

- * Year “0” – Year 2007-08
- * Last Year of the Current Contract

ANALYSIS OF FIVE DIFFERENT “STEPS” ON THE 2007-2008 SALARY SCHEDULE

- BA Step 1
- MA Step 3
- MA 30 Step 10
- MA 60 Step 20
- MA 75 Step 25

CALCULATIONS FACTORED IN:

- INCREMENT
- DIFFERENTIAL (Lane Movement) * (Only at Union BA)
- LONGEVITY
- TENURE INCREMENT

Plus

- * DISTRICT/UNION Percentage Increases

DISTRICT'S
BA STEP 1 PROPOSAL

BA STEP 1

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12
Step 1	44,982				
Step 2		47,455			
Step 3			50,928		
Step 4				54,941*	
Step 5					58,665*

* Includes Tenure Increment

BA STEP 1 TEACHER

- Year 1 Raise Equals **\$2,473**
 - * 5.49% raise over preceding year
- Year 2 Raise Equals **\$3,473**
 - * 7.31% raise over preceding year
- Year 3 Raise Equals **\$4,019**
 - * 7.89% raise over preceding year
- Year 4 Raise Equals **\$3,724**
 - * 6.77% raise over preceding year

BA STEP 1 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$13,683**
- Total Percentage Increase from 07-08 Over Four Years:
 - * **30.41%**

BTA'S
BA STEP 1 PROPOSAL

BA STEP 1

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12	Year 5 12-13
BA Step 1	44,982					
BA Step 2		49,472				
BA Step 3			54,263			
BA Step 4				60,460*		
BA Step 5					65,951*	
MA Step 6						80,940*

* Includes Tenure Increment

BA STEP 1 TEACHER

- Year 1 Raise Equals **\$4,490**
 - * 9.98% raise over preceding year
- Year 2 Raise Equals **\$4,791**
 - * 9.68% raise over preceding year
- Year 3 Raise Equals **\$6,197**
 - * 11.42% raise over preceding year
- Year 4 Raise Equals **\$5,491**
 - * 9.08% raise over preceding year
- Year 5 Raise Equals **\$14,990**
 - * 22.72% raise over preceding year

BA STEP 1 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$20,969**
 - Total Percentage Increase from 07-08 Over Four Years:
 - * **46.62%**
-
- Total Amount of Increase from 07-08 Over Five Years:
 - * **\$ 35,958**
 - Total Percentage Increase from 07-08 Over Five Years:
 - * **79.94%**

DISTRICT'S MA STEP 3 PROPOSAL

MA STEP 3

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12
MA Step 3	57,351				
MA Step 4		60,229*			
MA Step 5			63,959*		
MA Step 6				67,811*	
MA Step 7					71,792*

* Includes Tenure Increment

MA STEP 3 TEACHER

- Year 1 Raise Equals **\$2,878**
 - * 5.01% raise over preceding year
- Year 2 Raise Equals **\$3,730**
 - * 6.19% raise over preceding year
- Year 3 Raise Equals **\$3,852**
 - * 6.02% raise over preceding year
- Year 4 Raise Equals **\$3,981**
 - * 5.87% raise over preceding year

MA STEP 3 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$14,441**
- Total Percentage Increase from 07-08 Over Four Years:
 - * **25.18%**

**BTA'S
MA STEP 3 PROPOSAL**

MA STEP 3

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12	Year 5 12-13
MA Step 3	57,351					
MA Step 4		63,368*				
MA Step 5			68,752*			
MA Step 6				74,475*		
MA Step 7					80,562*	
MA Step 8						87,033*

* Includes Tenure Increment

MA STEP 3 TEACHER

- Year 1 Raise Equals \$6,017
 - * 10.49% raise over preceding year
- Year 2 Raise Equals \$5,384
 - * 8.50% raise over preceding year
- Year 3 Raise Equals \$5,724
 - * 8.33% raise over preceding year
- Year 4 Raise Equals \$6,086
 - * 8.17% raise over preceding year
- Year 5 Raise Equals \$6,471
 - * 8.03% raise over preceding year

MA STEP 3 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$23,211**
 - Total Percentage Increase from 07-08 Over Four Years:
 - * **40.47%**
-
- Total Amount of Increase from 07-08 Over Five Years:
 - * **\$29,682**
 - Total Percentage Increase from 07-08 Over Five Years:
 - * **51.76%**

DISTRICT'S
MA 30 STEP 10
PROPOSAL

MA 30 STEP 10

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12
MA 30 Step 10	80,020*				
MA 30 Step 11		82,496*			
MA 30 Step 12			86,899*		
MA 30 Step 13				91,444*	
MA 30 Step 14					96,138*

* Includes Tenure Increment

MA 30 STEP 10 TEACHER

- Year 1 Raise Equals \$2,476
 - * 3.09% raise over preceding year
- Year 2 Raise Equals \$4,403
 - * 5.33% raise over preceding year
- Year 3 Raise Equals \$4,545
 - * 5.23% raise over preceding year
- Year 4 Raise Equals \$4,694
 - * 5.13% raise over preceding year

MA 30 STEP 10 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$16,118**
- Total Percentage Increase from 07-08 Over Four Years:
 - * **20.14%**

BTA'S
MA 30 STEP 10
PROPOSAL

MA 30 STEP 10

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12	Year 5 12-13
MA 30 Step 10	80,020*					
MA 30 Step 11		86,581*				
MA 30 Step 12			93,194*			
MA 30 Step 13				100,211*		
MA 30 Step 14					107,660*	
MA 30 Step 15						115,557*

* Includes Tenure Increment

MA 30 STEP 10 TEACHER

- Year 1 Raise Equals \$6,561
 - * 8.20% raise over preceding year
- Year 2 Raise Equals \$6,613
 - * 7.64% raise over preceding year
- Year 3 Raise Equals \$7,018
 - * 7.53% raise over preceding year
- Year 4 Raise Equals \$7,448
 - * 7.43% raise over preceding year
- Year 5 Raise Equals \$7,898
 - * 7.34% raise over preceding year

MA 30 STEP 10 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$27,640**
 - Total Percentage Increase from 07-08 Over Four Years:
 - * **34.54%**
-
- Total Amount of Increase from 07-08 Over Five Years:
 - * **\$35,537**
 - Total Percentage Increase from 07-08 Over Five Years:
 - * **44.41%**

DISTRICT'S
MA 60 STEP 20
PROPOSAL

MA 60 STEP 20

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12
MA 60 Step 20	111,733*				
MA 60 Step 21		116,377**			
MA 60 Step 22			118,705**		
MA 60 Step 23				121,079**	
MA 60 Step 24					123,500**

*Includes Tenure Increment

** Includes Tenure Increment and 20 year
Longevity

MA 60 STEP 20 TEACHER

- Year 1 Raise Equals \$4,644
 - * 4.15% raise over preceding year
- Year 2 Raise Equals \$2,328
 - * 2.00% raise over preceding year
- Year 3 Raise Equals \$2,374
 - * 2.00% raise over preceding year
- Year 4 Raise Equals \$2,421
 - * 2.00% raise over preceding year

MA 60 STEP 20 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$11,767**
- Total Percentage Increase from 07-08 Over Four Years:
 - * **10.53%**

BTA'S MA 60 STEP 20 PROPOSAL

MA 60 STEP 20

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12	Year 5 12-13
MA 60 Step 20	111,733*					
MA 60 Step 21		123,474**				
MA 60 Step 22			131,412**			
MA 60 Step 23				139,800**		
MA 60 Step 24					148,664**	
MA 60 Step 25						158,028**

*Includes Tenure Increment

** Includes Tenure Increment and 20 year Longevity

MA 60 STEP 20 TEACHER

- Year 1 Raise Equals \$11,741
 - * 10.51% raise over preceding year
- Year 2 Raise Equals \$7,938
 - * 6.43% raise over preceding year
- Year 3 Raise Equals \$8,388
 - * 6.38% raise over preceding year
- Year 4 Raise Equals \$8,864
 - * 6.34% raise over preceding year
- Year 5 Raise Equals \$9,365
 - * 6.30% raise over preceding year

MA 60 STEP 20 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$36,931**
 - Total Percentage Increase from 07-08 Over Four Years:
 - * **33.05%**
-
- Total Amount of Increase from 07-08 Over Five Years:
 - * **\$46,295**
 - Total Percentage Increase from 07-08 Over Five Years:
 - * **41.43%**

**DISTRICT'S
MA 75 STEP 25
PROPOSAL**

MA 75 STEP 25

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12
MA 75 Step 25	118,852*				
MA 75 Step 26		121,363**			
MA 75 Step 27			124,038**		
MA 75 Step 28				126,519**	
MA 75 Step 29					131,714***

*Includes Tenure Increment and 20 year Longevity

** Includes Tenure Increment and 25 Year Longevity

*** Includes Tenure Increment and 28 Year Longevity

MA 75 STEP 25 TEACHER

- Year 1 Raise Equals **\$2,511**
 - * 2.11% raise over preceding year
- Year 2 Raise Equals **\$2,657**
 - * 2.20% raise over preceding year
- Year 3 Raise Equals **\$2,481**
 - * 2.00% raise over preceding year
- Year 4 Raise Equals **\$5,195**
 - * 4.10% raise over preceding year

MA 75 STEP 25 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$12,862**
- Total Percentage Increase from 07-08 Over Four Years:
 - * **10.82%**

BTA'S MA 75 STEP 25 PROPOSAL

MA 75 STEP 25

	Year 0 07-08	Year 1 08-09	Year 2 09-10	Year 3 10-11	Year 4 11-12	Year 5 12-13
MA 75 Step 25	128,748*					
MA 75 Step 26		143,617**				
MA 75 Step 27			152,409**			
MA 75 Step 28				161,689**		
MA 75 Step 29					177,265***	
MA 75 Step 30						187,845***

*Includes Tenure Increment and 20 year Longevity

** Includes Tenure Increment and 25 Year Longevity

*** Includes Tenure Increment and 28 Year Longevity

MA 75 STEP 25 TEACHER

- Year 1 Raise Equals \$14,868
 - * 11.55% raise over preceding year
- Year 2 Raise Equals \$8,792
 - * 6.12% raise over preceding year
- Year 3 Raise Equals \$9,280
 - * 6.09% raise over preceding year
- Year 4 Raise Equals \$15,576
 - * 9.63% raise over preceding year
- Year 5 Raise Equals \$10,580
 - * 5.97% raise over preceding year

MA 75 STEP 25 TEACHER

- Total Amount of Increase from 07-08 Over Four Years:
 - * **\$48,517**
 - Total Percentage Increase from 07-08 Over Four Years:
 - * **37.68%**
-
- Total Amount of Increase from 07-08 Over Five Years:
 - * **\$59,097**
 - Total Percentage Increase from 07-08 Over Five Years:
 - * **45.90%**

- In 2009-10, approximately **49%** of the 419 teachers in South Country were at MA 60 or MA 75 Lanes of the Salary Schedule.
- This resulted in an average teacher's base salary in South Country for the 2009-10 school year of approximately **\$83,363.**

COST OF STEP IN 2008-09

- Cost of Step for the District: The Cost of Step increases to the District in 2008-09 was approximately \$850,000.00 or 2.5% of teacher payroll.

COST OF LANE MOVEMENT FOR THE 2008-09 SCHOOL YEAR

Cost of Lane Movement for the District: The 2008-09 lane movement cost to the District was approximately \$ 750,000 or approximately 2.2% of teacher payroll.

DISTRICT'S PROPOSED REALIGNMENT

SOUTH COUNTRY Ranking for the 2008-2009 School Year based upon the District's Proposed Wage Freeze in Year 1:

BA 1

* **40th** out of the 59 Reporting Suffolk Districts at the BA 1 Ranking

MA Step 5

* **34th** out of the 59 Reporting Suffolk Districts at the MA Step 5 Ranking

MA 30 Step 10

* **37th** out of the 59 Reporting Suffolk Districts at the MA 30 Step 10 Ranking

MA 60 Step 15

* **33rd** out of the 59 Reporting Suffolk Districts at the MA 60 Step 15 Ranking

* Based upon the District's Year 1 Proposal for a Wage Freeze and the Negotiations Information Services ("N.I.S.") 2008-09 Teacher Agreement Analysis of Suffolk County

**ERS AND TRS INCREASES
FOR THE DISTRICT**

ERS/TRS

- Currently the ERS rate is 7.1% and is projected to increase to 11.4%, effective for the 2010-11 School Year.
- This projected rate increase would cost the District an estimated \$325,000/yr.
- Currently the TRS rate is 6.19% and is projected to increase to 8.75% effective for the 2010-11 School Year.
- This projected rate increase would cost the District an estimated \$1,000,000/yr.

ANNUAL INCREASED EXPENDITURES AS OF 10/11= \$1,325,000.

STATE AID IMPACT ON THE DISTRICT

State Aid

1) Mid-Year State Aid Cuts

-Approximately \$390,000* of State Aid for the 2009-10 School Year Will be Withheld.

2) Deferral of STAR-Payments

-\$1,084,629 –December 2009

3) ARRA (Stimulus Money)

The District Currently Receives Approximately \$3.2 Million in Stimulus Money. This is set to expire on June 30, 2011.

ANNUAL LOST REVENUE AS OF 7/1/11 = **\$4,674,629**

COMBINED IMPACT ON THE DISTRICT OVER TWO YEAR PERIOD

Total Increased Expenditures (ERS/TRS) \$1,325,000

Total Lost Revenue (State Aid) \$4,674,629

TOTAL **-\$5,999,629**

*Note –This does not include any potential cuts for 2010-11

EDITORIALS

"Where there is no vision, the people perish."

OPINION

Crisis management

School officials may sue governor, but they should focus on their own cuts

It seems there's no choice for Gov. David A. Paterson. He's been warning that New York would come to an impasse if it continued to budget by crisis. Now we are backed into a corner by inaction and denial. Paterson says he will send smaller checks this month to schools and local governments. He can't be expected to spend money the state doesn't have.

Far better if Albany had economized last April on the annual budget. Instead, the state blew \$6.75 billion in federal stimulus funds, while raising taxes and fees on New Yorkers by more than \$8 billion. Then, earlier this month, the legislature balked at another chance to cut spending.

School officials can threaten to sue the governor, but the cupboards are bare. It's an empty gesture, and just as foolish as warning that property taxes will increase. **Instead, schools and local governments must respond by shouldering the admittedly difficult responsibility of living within their means. They now have more than adequate notice to build economies into next year's budgets.** Albany should also consider other possibilities such as lag payrolls and furloughs for the state workforce.

New York's finances are a mess because too many have failed to accept the basic responsibilities of their jobs — from legislators, to school boards and administrators, to functionaries at the state, county, town and village levels.

Stop whining. Do the math. Make it work. Those are the mantras that will lead New York out of this crisis. 