



# East Grand Rapids Public Schools

February 29, 2012

## EGRPS Compensation Review

Dear EGRPS Families,

This is the fourth and final budget communication we are providing to enhance transparency regarding the district’s operational budget and increase the level of understanding regarding the district’s financial challenges. In the first three communications, we explained the projected budget deficit for the 2012-2013 school year, provided a detailed breakdown of projected expenses for the 2012-2013 school year, and highlighted revenue, expense, and student-teacher ratios and trends for the past several years. This final communication focuses on compensation for district employees which comprises 85% of our operating budget. The analysis is grouped into employee categories, similar to the categories described in the third communication that detailed trends and ratios. Where applicable, comparisons will be made to other Kent County public school districts. Finally, as you read this report, please note that the state mandated retirement expenses attributable to each position or category are not highlighted; however, costs for each position for next year is projected to be 27.37% of the total salary or wage.

### ADMINISTRATIVE COMPENSATION

The district currently has 15 positions that are considered administrative. The Superintendent receives a compensation package as determined by the Board of Education. The remaining administrative positions have salary scales along with a required number of work days per year. All administrators receive an identical health benefit package with medical and vision insurance provided from the Western Michigan Health Insurance Pool. Dental insurance is self-funded through SET SEG. A breakdown of administrative compensation is provided below.

#### Salary

The Superintendent’s salary and other compensation package which includes a total salary of \$160,490 and a non-elective contribution to a tax-deferred annuity plan in the amount of \$20,000. The Superintendent contributes 20% towards the medical, dental, and vision insurance premiums equating to \$3,581 this fiscal year.

In the spring of 2011, the Business Office conducted a study of Superintendent compensation in Kent County. In that study, the Superintendent’s compensation package ranked 6<sup>th</sup> out of the 20 Kent County public school districts.

The other administrative positions have defined salary scales, and all administrators receive a one-time salary/annuity payment in January that equals 6% of their base salary. Some administrative positions also receive a monthly travel allowance of \$250 per month or less. The salary scale range and required number of work days for administrative positions is detailed below:

<u>Position</u>	<u>Scheduled Work Days</u>	<u>Salary Range Minimum</u>	<u>Salary Range Maximum</u>
Assistant Superintendent	260	\$91,677	\$123,276
High School Principal	260	\$91,677	\$123,276
High School Assistant Principal	210	\$74,699	\$100,446
High School Athletic Director	210	\$73,398	\$98,699
High School Guidance Director	210	\$75,614	\$101,665
Middle School Principal	220	\$83,325	\$112,044
Middle School Assistant Principal	210	\$66,715	\$89,710
Elementary Principal	210	\$79,354	\$106,707
Special Education Director	220	\$70,045	\$94,186
Technology Director	220	\$70,045	\$94,186
Buildings/Grounds Director	260	\$50,216	\$68,272

Administrators who have 260 scheduled work days receive an annual stipend of paid vacation days. Administrators with less than 260 scheduled work days do not receive paid vacation days.

The Assistant Superintendent positions were also studied in the spring of 2011 relative to the other Kent County public school districts. The Assistant Superintendent of Instruction was ranked 6<sup>th</sup> of 20, and the Assistant Superintendent of Business was ranked 11<sup>th</sup> of 20 for similar positions. No further data comparing the other administrative positions to other Kent County public school districts is available at this time.

**Health Insurance Benefits**

Administrators are offered medical, dental, and vision insurance as part of their compensation package. Administrators contribute 20% towards the combined cost of medical, dental, and vision insurance. Medical insurance is provided by the Western Michigan Health Insurance Pool, which is a Blue Cross program. The benefit level for administrators:

- Blue Cross Community Blue PPO Plan
- \$250 individual/\$500 family deductible
- 10% co-payment after deductible until another \$2,000 in out of pocket costs is reached
- \$20 office visit co-payment
- \$10 generic/\$40 brand prescription drug co-payment

The chart below details the total annual cost of the insurance, the administrative contribution, and the net cost to the district.

	<u>Self-Subscriber Coverage</u>	<u>Self and Spouse Coverage</u>	<u>Family Coverage</u>
Medical Premiums	\$5,738	\$12,910	\$16,066
Dental Premiums	\$403	\$1,409	\$1,409
Vision Premiums	<u>\$181</u>	<u>\$367</u>	<u>\$428</u>
<b>Total Cost</b>	<b>\$6,322</b>	<b>\$14,686</b>	<b>\$17,903</b>
<b>20% Administrator Contribution</b>	<b><u>(\$1,264)</u></b>	<b><u>(\$2,937)</u></b>	<b><u>(\$3,581)</u></b>
<b>Net Cost to District</b>	<b>\$5,058</b>	<b>\$11,749</b>	<b>\$14,322</b>

**TEACHER COMPENSATION**

Teacher compensation and work conditions are covered by the Master Agreement between the East Grand Rapids Education Association and the Board of Education. The current Master Agreement expires on August 31, 2012. Similar to the administration, the teachers have a salary scale that takes into account level of post graduate education and years of experience. The teachers receive their medical and vision insurance from MESSA, and the district self-funds their dental insurance through SET SEG. Per the Master Agreement, teachers are scheduled to work 180 days per year. The chart below illustrates the salary scale ranges for teachers at varying levels of post-secondary education.

	<u>Contractual Work Days</u>	<u>Salary Minimum</u>	<u>Salary Maximum</u>
Bachelor’s Degree	180	\$39,838	\$72,173
Bachelor’s plus 20 credit hours	180	\$41,830	\$72,173
Master’s Degree	180	\$43,822	\$79,344
Master’s plus 15 credit hours	180	\$45,814	\$80,938
Master’s plus 30 credit hours	180	\$47,806	\$82,929
Master’s plus 45 credit hours	180	\$49,798	\$84,921

The average teacher salary is approximately \$67,000 and, as we mentioned in the second budget communication, is ranked 80<sup>th</sup> in the state out of 783 school districts and charter schools. We believe this ranking is not representative of how our salary scales compare statewide, but is due to the fact that over 85% of our teachers possess master’s and doctorate degrees and on average have many years of experience, placing them higher on the district salary scale. It has been a priority of the board and administration to hire quality teachers, and in many cases we have hired teachers with post graduate degrees and years of experience. From a county perspective, the teacher salary scale and the average teacher salary is 4<sup>th</sup> out of the 20 Kent County public school districts.

**Health Insurance Benefits**

Teachers are offered medical, dental, and vision insurance as part of their compensation package. Part time teachers are provided a pro-rated district contribution towards those benefits. This fiscal year teachers contribute \$40 a month, or \$480 annually, towards the cost of medical premiums. For the 2012-2013 fiscal year, teachers will be subject to Public Act 152, which will cap the district contributions for medical insurance at \$5,500 for a single subscriber, \$11,000 for a self and spouse, and \$15,000 for a full family. Medical and vision insurance are provided by MESSA, and dental insurance is self-funded by the district through SET-SEG. The medical benefit level for teachers:

- Blue Cross PPO Plan
- \$100 individual/\$200 family deductible
- \$20 office visit co-payment
- \$10 generic/\$40 brand prescription drug co-payment

The chart below details the total annual cost of the insurance, the teacher contribution, and the net cost to the district.

	<u>Self-Subscriber Coverage</u>	<u>Self and Spouse Coverage</u>	<u>Family Coverage</u>
Medical Premiums	\$6,639	\$14,914	\$16,570
Dental Premiums	\$1,012	\$1,012	\$1,012
Vision Premiums	\$73	\$158	\$238
<b>Total Cost</b>	<b>\$7,724</b>	<b>\$16,084</b>	<b>\$17,820</b>
<b>Teacher Contribution</b>	<b>(\$480)</b>	<b>(\$480)</b>	<b>(\$480)</b>
<b>Net Cost to District</b>	<b>\$7,244</b>	<b>\$15,604</b>	<b>\$17,340</b>

**SUPPORT STAFF COMPENSATION – COLLECTIVE BARGAINING EMPLOYEES**

Support staff employees covered under the Master Agreement between the Board of Education and the East Grand Rapids Association of Support Employees (EGRASE) include the district’s custodians and maintenance workers, building secretaries, paraeducators, food service employees, technology support staff, teacher assistants, and bus drivers. Each classification of employees has independent hourly wage scales and, within each classification, wage scales vary for positions with different responsibilities. The current support staff agreement expires on June 30, 2012.

Support staff employees who work 30 hours or more per week are offered medical and vision insurance from MESSA, and dental insurance self-funded by the district through SET SEG. Forty hour per week employees receive the maximum level of district contribution; employees working between 30 and 40 hours per week receive a pro-rated contribution from the district.

Required work days fluctuate by classification, and within classification. Full time custodians, maintenance workers, and technology support staff have a 260-day work year with paid vacation benefits. Secretaries are scheduled to work between 200 and 230 days per year, with two building secretaries working a 260-day schedule. All secretaries receive paid vacation, depending on their required number of workdays. Paraeducators, food service employees, teacher assistants, and bus drivers work on school days plus additional days prior to the start of the school year, totaling approximately 175 work days per year. The hourly wage scales for each classification, and the average annual wage for each classification based on a full time employee is detailed below.

	<u>Hourly Wage Minimum</u>	<u>Hourly Wage Maximum</u>	<u>Annual Wage Minimum</u>	<u>Annual Wage Maximum</u>
Maintenance	\$18.48	\$23.39	\$38,438	\$48,651
Custodial	\$12.47	\$16.66	\$25,938	\$34,653
Custodial Cleaner (Part time)	\$12.47	\$14.10	\$10,268	\$15,158
Secretarial	\$13.99	\$21.42	\$29,099	\$40,146
Teacher Assistant	\$18.07	\$24.99	\$27,105	\$37,485
Technology Support	\$20.90	\$23.39	\$43,472	\$48,651
Paraeducator	\$13.89	\$15.63	\$17,626	\$19,835
Food Service	\$12.86	\$19.00	\$16,319	\$24,111
Bus Driver (20 hours/wk.)	\$14.80	\$16.63	\$10,656	\$11,974

Collective bargaining support staff employee wages were studied by the Kent County Education Association in 2009-2010. Out of the 20 Kent County public school districts, East Grand Rapids was ranked the following:

Maintenance	2 <sup>nd</sup> out of 20 districts
Custodial	14 <sup>th</sup> out of 20 districts*
Secretarial	2 <sup>nd</sup> out of 20 districts
Paraeducators	1 <sup>st</sup> out of 20 districts
Bus Drivers	12 <sup>th</sup> out of 20 districts

\*Note the custodial rank is indicative of 2010-2011 contract concessions which moved the group from 1<sup>st</sup> to 14<sup>th</sup> in Kent County.

**Health Insurance Benefits**

Support staff employees who work 30 hours or more per week are offered medical, dental, and vision insurance as part of their compensation package. The maximum district contribution towards the insurance is for 40 hour per week employees; employees between 30 and 40 hours per week receive a pro-rated contribution by the district. This fiscal year, 40 hour per week support staff contribute \$30 per month, or \$360 annually, towards the cost of medical premiums. For the 2012-2013 fiscal year, support staff will be subject to Public Act 152, which will cap the district contributions for medical insurance at \$5,500 for a single subscriber, \$11,000 for a self and spouse, and \$15,000 for a full family. Medical and vision insurance are provided by MESSA, and dental insurance is self-funded by the district through SET SEG. The medical benefit level for support staff:

- Blue Cross PPO Plan
- \$100 individual/\$200 family deductible
- \$20 office visit co-payment
- \$10 generic/\$40 brand prescription drug co-payment

The chart below details the total annual cost of the insurance, the support staff contribution, and the net cost to the district for a full time 40 hour per week support staff employee.

	<u>Self-Subscriber Coverage</u>	<u>Self and Spouse Coverage</u>	<u>Family Coverage</u>
Medical Premiums	\$6,639	\$14,914	\$16,570
Dental Premiums	\$403	\$1,150	\$1,150
Vision Premiums	<u>\$73</u>	<u>\$158</u>	<u>\$238</u>
<b>Total Cost</b>	<b>\$7,115</b>	<b>\$16,222</b>	<b>\$17,958</b>
<b>Support Staff Contribution</b>	<b><u>(\$360)</u></b>	<b><u>(\$360)</u></b>	<b><u>(\$360)</u></b>
<b>Net Cost to District</b>	<b>\$6,755</b>	<b>\$15,862</b>	<b>\$17,598</b>

**SUPPORT STAFF COMPENSATION – NON-COLLECTIVE BARGAINING EMPLOYEES**

The district employs 15 individuals who are considered non-collective bargaining support staff employees. These positions typically provide service through the district office. Other positions include our high school custodial supervisor, performing arts center supervisor, and athletic trainer. These positions have specific pay scales. Some positions are hourly; some are salaried. All positions are scheduled to work 260 days per year with paid vacation benefits, with the exception of the athletic trainer and preschool teachers.

Non-collective bargaining support staff employees who work 30 hours per week or more are offered medical and vision insurance from the West Michigan Health Insurance Pool, and dental insurance self-funded by the district through SET SEG. Full time 40 hour per week employees receive the maximum level of district contribution; employees working between 30 and 40 hours per week receive a pro-rated contribution from the district.

The following table details the wage or salary levels for our non-collective bargaining support staff employees.

	<u>Hourly Wage</u> <u>Minimum</u>	<u>Hourly Wage</u> <u>Maximum</u>	<u>Annual Wage</u> <u>Minimum</u>	<u>Annual Wage</u> <u>Maximum</u>
Executive Assistant to Superintendent	n/a	n/a	\$45,796	\$57,773
Secretary to Assistant Superintendent	\$16.46	\$21.56	\$34,237	\$44,845
Secretary to Directors	\$15.92	\$20.78	\$33,114	\$43,222
Accounting Supervisor*	n/a	n/a	\$15,629	\$20,114
Payroll & Accounts Payable	\$15.12	\$21.42	\$31,450	\$44,554
Manager of Network & Info Systems	n/a	n/a	\$45,154	\$58,355
Performing Arts Center Supervisor	n/a	n/a	\$46,769	\$60,429
High School Custodial Supervisor	n/a	n/a	\$45,796	\$57,773
Receptionist/Operations/Transportation Support	\$15.43	\$19.27	\$32,094	\$40,082
Athletic Trainer	n/a	n/a	\$33,740	\$41,214
Preschool Teachers	n/a	n/a	\$29,133	\$34,303

\*Note: The accounting supervisor is now a part time position, approximately 0.3 of a full time equivalent position.

### Health Insurance Benefits

Non-collective bargaining support staff employees who work 30 hours or more per week are offered medical, dental, and vision insurance as part of their compensation package. Starting in January 2012, these individuals were subject to Public Act 152, which caps the district contributions for medical insurance at \$5,500 for a single subscriber, \$11,000 for a self and spouse, and \$15,000 for a full family. Medical and vision insurance are provided by the West Michigan Health Insurance Pool, and dental insurance is self-funded by the district through SET SEG. The medical benefit level for support staff:

- Blue Cross Community Blue PPO Plan
- \$250 individual/\$500 family deductible
- 10% co-payment after deductible until another \$2,000 in out of pocket costs is reached
- \$20 office visit co-payment
- \$10 generic/\$40 brand prescription drug co-payment

The chart below details the total annual cost of the insurance, the employee contribution, and the net cost to the district for 40 hour per week non-collective bargaining support staff employees.

	<u>Self-Subscriber Coverage</u>	<u>Self and Spouse Coverage</u>	<u>Family Coverage</u>
Medical Premiums	\$5,738	\$12,910	\$16,066
Dental Premiums	\$403	\$1,409	\$1,409
Vision Premiums	<u>\$181</u>	<u>\$367</u>	<u>\$428</u>
<b>Total Cost</b>	<b>\$6,322</b>	<b>\$14,686</b>	<b>\$17,903</b>
<b>Employee contribution</b>	<b><u>(\$822)</u></b>	<b><u>(\$3,686)</u></b>	<b><u>(\$2,983)</u></b>
<b>Net Cost to District</b>	<b>\$5,500</b>	<b>\$11,000</b>	<b>\$15,000</b>

This year, the district has undertaken a comprehensive budget process to increase the level of participation and feedback from our staff and community. In the fall, online budget surveys were offered to staff and community, resulting in approximately 700 completed responses. We conducted eight budget focus groups, with over 150 staff, community members, and students participating, and we appreciate their input. To review the summary results of the surveys, please [click here](#).

Through the four budget communications, we hope you have gained a more comprehensive understanding regarding the district's finances and how we prioritize spending. The next step in the process is to present the budget recommendations to the Board of Education on March 12. These recommendations will be available on the district's website after they are presented to the Board of Education. Finally, we welcome feedback regarding our budget process, written budget communications, or budget recommendations. The Board of Education is working hard to overcome the financial difficulties the district faces and is committed to adopting a balanced budget in June for the 2012-2013 school year that will maintain our "Tradition of Excellence."

Sincerely,



Sara Magaña Shubel, Ph.D.  
Superintendent



Kevin Philipps  
Assistant Superintendent of Business