



Mountain View  
Whisman  
School District

# Employee Compensation

April 18, 2020





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# Process for Negotiations

# Past Practice Salary Negotiations

- Use predicted assessed value to estimate total revenue for the upcoming fiscal year
- Predicted number was used to offer a percentage increase for employee compensation

# Past Practice Salary Negotiations

- In the 2018-2019 school year, based on an assumption of high assessed value, bargaining units and MVWSD agreed to a 5% salary increase for employees
- Assessed valuation came in lower than predicted and the district made behind the scenes budget cuts to honor the 5% salary increase to employees

# Procedural Changes to Negotiations

- Starting in the 2019-2020 school year the district used actual assessed value data to negotiate raises
- District can more accurately predict and budget for employee salary increases
- Negotiated a tentative agreement with MVEA for 2019-20. This raise is for this year, not next year (2020-21)
  - Any salary increases are within the boards policy of a reserve level of 17-20%

# Business Department Changes

- New processes implemented in the business department in the 2019-2020 school year.
- Hiring of a budget analyst who provides checks and balances in all budgetary processes
- The business team meets regularly to develop and review assumptions for the coming school year
- Large purchases, such as Chromebooks and textbooks, are now coming out of set asides (one-time funds), as opposed to the general fund



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# Current District Finances

# Current Finances

- All districts are being “held harmless” meaning that the State is providing funding regardless of students being in session
- We will realize some savings from transportation, utility costs, and overtime



# Current Finances

- We have some additional costs:
  - Chromebooks
  - Hotspots
  - Sanitizers
  - Providing meals
  - Overtime for maintenance and food services
- These items may be reimbursed later through FEMA (this process takes at least a year).

# Financial Security

- As a basic aid district, the majority of our funding comes from property taxes
  - We are \$11 million into basic aid status so this will not change
  - Our average AV property value is at \$800,000 while average sale price of homes is \$1.6 M.
    - This means that home prices would need to fall 50% for us to see a significant impact on our budget.

# Financial Security

- Our County is a Teeter County which means we are guaranteed the revenue from our property taxes
- The raise for the 19-20 year is based on known assessed value growth that will not change



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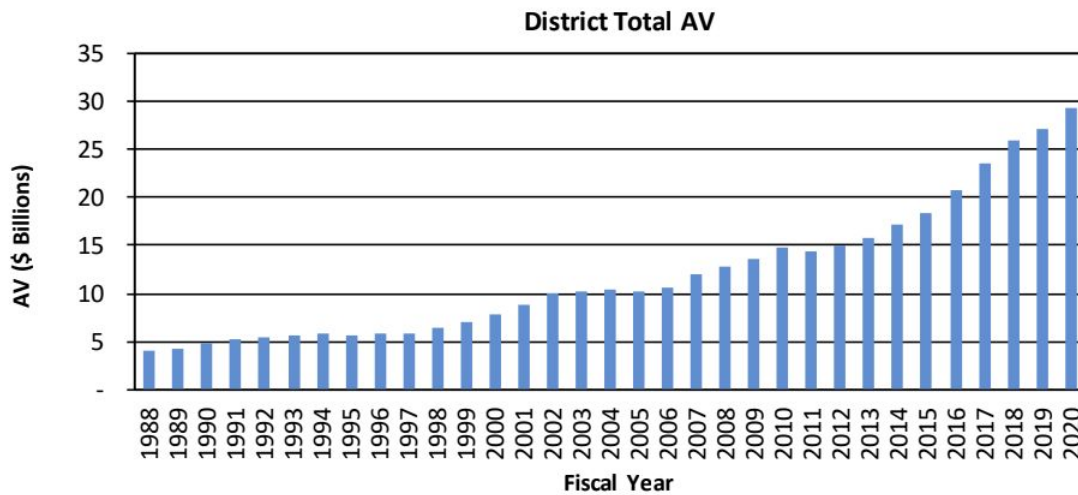
# Future

# Things to Consider in the Future

- History indicates that MVWSD will not feel the true impact of COVID-19 for a few years due our basic aid status
- The raise being offered is for the current school year
- Assessed value may flatten which will limit our ability to provide raises and/or freeze salaries
  - Pay could be frozen due to a struggling economy

◆ Annualized growth rates:

- 1-year: 8.36%
- 5-year: 9.86%
- 10-year: 7.10%
- 15-year: 7.35%
- 20-year: 6.83%
- 25-year: 6.81%
- 30-year: 6.22%



FY	Total AV <sup>(1)</sup>	Annual % Change
1988	\$ 4,016,359,523	
1989	4,254,855,681	5.94 %
1990	4,800,206,033	12.82
1991	5,223,278,540	8.81
1992	5,344,021,546	2.31
1993	5,606,013,593	4.90
1994	5,728,071,074	2.18
1995	5,653,430,504	-1.30
1996	5,778,951,712	2.22
1997	5,900,637,935	2.11
1998	6,416,959,960	8.75
1999	7,088,425,781	10.46
2000	7,834,967,334	10.53
2001	8,746,920,698	11.64
2002	9,970,705,164	13.99
2003	10,280,852,219	3.11
2004	10,414,457,142	1.30
2005	10,132,992,586	-2.70
2006	10,654,863,150	5.15
2007	11,900,729,296	11.69
2008	12,767,567,548	7.28
2009	13,650,618,335	6.92
2010	14,785,613,473	8.31
2011	14,397,541,410	-2.62
2012	14,881,752,063	3.36
2013	15,855,098,426	6.54
2014	17,155,503,989	8.20
2015	18,351,287,766	6.97
2016	20,657,107,181	12.56
2017	23,516,716,879	13.84
2018	25,996,182,874	10.54
2019	27,104,016,031	4.26
2020	29,368,739,836	8.36



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# Next Steps

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- MVEA has ratified their tentative agreement and is on today's agenda for Board approval
  - Salary increase and one-time payments will be reflected on May 30th pay warrant as well as a one time payment.
- CSEA is in process of ratifying their tentative agreement.
  - We will bring CSEA's Tentative Agreement to the May 7th board meeting.
- We will continue to monitor the effects of COVID on our budget.





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# Questions