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## The Avon School District

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## THE AVON SCHOOL DISTRICT

Chalmer E. Labig, Jr. and Timothy J. Keaveny

Charles Barker, superintendent of the Avon School District, was thinking about the upcoming negotiations with the teachers and support personnel. In two weeks it would be July 1, 1985, and meetings with union representatives of the teachers, as well as meetings with union representatives of the support personnel, would begin. (Support personnel are those employees of the school district who are neither teachers nor administrators, e.g. bus drivers, teacher's aides, maintenance, food service and clerical workers.) Dr. Barker assumed their salary demands would be as excessive as last year's. He wondered if the financial integrity of the district could be maintained without further exacerbating the strained relationships between his office and the employee representatives. A basic problem during negotiations had been determining what constitutes an appropriate salary increase. The only consensus among the parties involved in contract negotiations had been the acknowledgement that each had a different perspective. Even the members of the school board had different views. Dr. Barker knew that in preparation for negotiations the school board bargaining team would have to decide on an initial salary plan to present in contract negotiations. In addition they would have to decide on their final position to which they would hold firm in the negotiations.

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This case was written by Chalmer E. Labig, Jr., Oklahoma State University, and Timothy J. Keaveny, Marquette University, as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation.

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### Background

Avon, located on the southern edge of the Omaha metropolitan area, encompassed the fifth largest school district in the State. The 16,000 pupils were taught by some 900 teachers. In addition, there were 475 administrators and support personnel in the district's work force. Three high schools, a vocational center, two junior high schools and twenty-seven elementary schools constituted the institutions of the Avon School district.

The governing body of the district was a five member board of education. Board members served five year terms. One position on the board was up for election in November each year. The term of office began the following January. The board was empowered by the State to maintain and operate a public school system best suited to the needs of the district. Actions and decisions under the board's direction included purchasing, constructing, or renting buildings and equipment; disposing of property no longer needed by sale, exchange, lease or otherwise; incurring all expenses within the limitations provided by law to fulfill its obligations; fixing the duties and compensation of all district employees; and exercising sole control over all the schools and property of the district, subject to the provisions of the state school code.

Although the board approved the salaries and benefits of all employees in the district, several parties had input into the determination of salaries. The board, through its representatives, negotiated with two employee groups. These employee organizations were the Avon District Teachers' Association (ADTA) whose president and chief negotiator was George Walker and the Educational Support Personnel Organization (ESPO) whose president and chief negotiator was Brent Adams.

Contract talks with the teacher association predated the State's first public education collective bargaining law by five years. The law, enacted in 1971 provided for good faith negotiations between the board of education and employee representatives concerning the items affecting the performance of employee services and the terms and conditions of their employment. A procedure for resolving impasses was to be developed by the parties. However if agreement on an impasse procedure could not be reached, the items causing the impasse were to be referred to a three-member committee. This committee consisted of one member selected by the employee

organization, one member selected by the board of education, and a third member, jointly selected by the other two members. The third member of the committee served as chairperson. This committee would meet with the bargaining committees for the purpose of fact finding. Strikes, which were illegal, might result in decertification of the employee organization. Unlike ADTA, ESPO had only recently represented employees in the Avon School District.

### School District Financing

School districts in the State were supported primarily by local and state sources of revenue and by federal sources to a small extent. During the 1983-84 fiscal year, local funds represented 35 percent, state funds represented 58 percent, and federal funds represented seven percent of the Avon School District's total revenue. Local sources included: ad valorem taxes (taxes imposed as a percentage of value) on real, personal, and public service property within the district; a 4-mill (1 mill is 1/1000 of a dollar) county levy; a county mortgage tax; a 5-mill building fund levy which may be used for operational expenses; a sinking fund levy not to exceed 10 percent of the total assessed valuation of the district; and various small miscellaneous items. All districts in the State levied the maximum millage possible except for the sinking fund levy which could be generated through issuance of bonds approved by the district's voters. Appropriation of these monies was not automatic. Rather, these tax levels had to be approved annually by voters of each school district. The sinking fund could only be used for expenditures on plant and equipment.

State aid to school districts came from two sources. First, certain taxes were earmarked for use by public schools. Second, money was appropriated by the state legislature on an ad hoc basis. State appropriation was the single largest revenue source for public schools in the State. The appropriation for public schools was by far the largest single appropriation that the legislature made each year. The amount appropriated for school districts was dependent upon the state's financial condition during the particular year. The State's economy has varied significantly over the last decade.

The appropriation to each district was based upon average daily pupil attendance (A.D.A.) as well as per capita revenue from local sources. The latter provision was intended to equalize the wealth of the State's school districts. Unfortunately, extremes still

existed. Last year the most affluent district in the State reported its local revenue per student was \$22,205 compared to the state average of \$2,541.

Federal aid to public schools came in the form of various programs which required initiative on the part of local districts to obtain the money. Major programs included the school lunch program, low income family assistance, grants for library and instructional materials, and impact aid. The latter program replaced the loss of ad valorem taxes for districts which contained federal installations or institutions, e.g. military bases.

Given the nature of these sources of funds for the districts, superintendents could not accurately forecast the exact amount of monies available to operate schools. Consequently, school finance experts in the state recommended that a surplus equal to ten percent of the current year's budget was an appropriate amount to reserve for unanticipated contingencies during the following year. When the state legislature reduced their level of appropriation, these contingency or surplus funds assisted the district in maintaining stability in ongoing programs. However, many school districts in the State were not able to carry over an amount as large as ten percent.

### The 1984-85 Negotiations

At the beginning of the last round of negotiations during June of 1984, the parties' initial positions with respect to salaries were widely divergent. The school district's negotiating team offered a one-time adjustment equal to five percent of each employee's annual salary to both ADTA and ESPO. This increase was offered as a bonus in that it was not to be added to the employees' salaries. George Walker, representing ADTA, demanded a ten percent increase in the salary schedule for teachers and a five percent bonus. ESPO negotiator, Brent Adams, sought a similar adjustment for the support personnel. The employee representatives' position hardened when publicity about the district revealed that the 1983-84 fiscal year ended with a surplus (cash on hand) equivalent to twenty-two percent of the year's expenditures. Negotiations dragged on until an impasse was reached around Thanksgiving. A fact finding panel was assembled by mid-December.

In the meantime, frustrated by their perception of the school administration's unwillingness to compromise, the ADTA leadership

decided to attempt to improve their standing with Avon's Board of Education. Their strategy was to endorse and campaign for a school board candidate who was sympathetic to their position. The candidate was Mrs. Monica Evans, a clerical employee at a vocational school in an adjacent school district. ESPO also contributed to Mrs. Evans's campaign by distributing pamphlets to voters.

The district's largest private sector union endorsed Mrs. Evans. In addition, the union urged voters to defeat the renewal of the school millage issue which was concurrent with the school board election. If the millage issue was defeated, schools would have to be closed.

Four days prior to the election, State Senator Cooper, a resident of Avon, called Dr. Barker and George Walker together in an effort to reach a settlement. By the end of the day, the parties agreed to a settlement which called for six percent adjustment for each step of each salary schedule retroactive to the beginning of the 1984-85 fiscal year and payment of \$1000, said to be equivalent to five percent of the average employee's annual salary. Regarding the outcome of the election, voters supported renewal of the school millage and Mrs. Evans was elected to the board of education by a margin of 70 percent to 30 percent over the incumbent.

#### Avon's Financial Status

The 1984-85 budget for the Avon district is shown in Exhibit 1. The "8/24/84" column reports the initial budget figures for the 1984-1985 school year. The "6/30/85" column reports the actual revenues and expenditures for the 1984-1985 year. The amounts by which the actual figures vary from the budgeted figures are listed in the "adjustment requested" column. The only anomaly in this report concerns an out-of-court settlement which involved collection of past due property taxes. The amount of these taxes was just over \$4,000,000. This figure was reduced by approximately \$900,000 in attorneys' fees. In spite of this windfall income netting over \$3,000,000, the district's expenditures exceeded its revenues by almost one million dollars. Nevertheless, Avon had on hand surplus funds of over \$7,000,000.

The 1985-1986 Negotiations

Not surprisingly, the points of view of the parties involved in the 1985-86 contract negotiations differed. They used different criteria for evaluating existing salaries and for recommending salary adjustments. In addition, the data examined by each party came from different sources. A description of the perspectives of each party involved in the salary determination process is necessary in order to better understand the process.

State Legislature. About twenty years ago the state legislature established minimum before-tax salary schedules for public school teachers. Typically this schedule was adjusted at each legislative session. Two years ago the legislature increased each step of the salary schedules by \$3,000. The schedules were based upon college degree and years of teaching experience. The schedules in effect for the upcoming year mandated total compensation (salary plus benefits) of \$15,060 for teachers holding a bachelor's degree with no teaching experience. The highest step on the schedule was for teachers with fifteen years of experience. Teachers with a master's degree and no teaching experience were to earn \$16,166, and those with fifteen years of experience were to earn at least \$21,198.

The legislature believed that most new monies appropriated should be used for salary increases. Consequently, in the last session a bill was enacted which required that in the coming year, regardless of current salary, all teachers (certified personnel) receive an increase in salary and/or benefits of at least \$2,000 and all support personnel (non-certified) receive at least an eight percent increase in salary and/or benefits. The Avon School district would receive an appropriation from the state to cover ninety percent of the cost of this minimum adjustment.

The legislative provision for a minimum increase of \$2000 for teachers and a minimum increase of eight percent for support personnel was intended to improve the financial status of public school employees in the State. Except for the appropriation for the significant salary increase of two years ago, state funding for public education had been static. Consequently, public school salaries in the State did not keep pace with public school salaries in other parts of the country. Based on optimistic projections of economic conditions in the State, the legislature approved the above increases for public school employees.

Unfortunately, the improved economic conditions which were projected at the time the legislature approved these minimum increases did not materialize. In fact, conditions had deteriorated somewhat since the last legislative session. The State's economy depended largely on agriculture. On the other hand, the Nation's economy improved during this time period. Thus the optimistic economic outlook proved valid for the nation generally, but was not valid for the State.

Superintendent. Although Dr. Barker had total confidence in his assistant superintendent of finance, Tom Pettis, he had a concern about predicting the state and federal funds which would be available for the Avon District. Dr. Barker would have preferred to carry over from year to year a reserve in excess of ten percent of annual expenditures. This would have insured that the district was fiscally sound. Consistent with this concern was his view about employee association representatives wanting to reallocate building levy funding to employee salaries. Dr. Barker believed such an action was unnecessary because salaries within the district compared favorably with salaries of other districts in the Omaha metropolitan area. Based on salary data shared informally by the superintendents in the area, Dr. Barker knew that Madison School District, comparable in size to Avon but with greater assessed valuation, paid its teachers and support personnel less than Avon.

The superintendent disagreed with employee organization representatives on several issues concerning compensation policy. He believed teacher salaries should have been competitive at each step of the salary schedules. In contrast, ADTA place greater emphasis on salaries at the upper levels of the schedules, i.e., salaries of the district's most experienced teachers. Dr. Barker believed that differences in pay among positions should have been maintained through adjusting salaries by an appropriate percentage.

Strengthening the collective bargaining process in recent years had in his opinion decreased his flexibility in making decisions. For example, high turnover among certain positions could no longer be reduced by raising salaries differentially for such positions. In addition merit pay for teachers had been blocked by ADTA. Finally a greater proportion of the budget was allocated to salaries than had been done in the past. As a result other items needed to maintain quality education were being neglected.

Avon School Board Members. Dr. Clayton Browne, a well-known local pediatrician, had served as a board member since 1969. He was very proud of the Avon School district and believed that his district gave "more for the dollar" than any other in the State. "Avon is less than average in per pupil expenditures in the State but higher than average in student test scores." Dr. Browne was a strong supporter of the superintendent and his assistants. For example he supported the position that the superintendent and his staff should determine the amount of money available for salary increases.

With respect to the reserve carried over from year to year, Dr. Browne believed it should equal ten to twelve percent of the budget. With respect to the collective bargaining process, Dr. Browne was concerned about the union's excessive demands which had cost the taxpayers money. He also believed current policies were deficient because, "the good teachers were not being rewarded." Although no formal policies regarding salary levels existed, Dr. Browne believed existing salaries were satisfactory because they compared favorably with salaries at Madison. As for the future, this long term board member was worried about a downturn in the State's economy and about out-of-state union officials weakening the financial condition of Avon.

The opinions of Mrs. Monica Evans were diametrically opposed to Dr. Browne's. Since her election to the board, Mrs. Evans believed that she had both gained respect from the other board members and altered their role in the salary determination process. She believed that most of the power among the parties involved in the bargaining process rested with the superintendent, until she joined the board. According to Mrs. Evans, the board should have set policy for the superintendent to follow. In her opinion, equity was the single most important factor in determining salary adjustments. As long as funds permitted, Mrs. Evans wanted to give employees annual raises of seven and one-half to eight percent. In the past, raises were often tied to the rate of inflation. Mrs. Evans believed that teacher salaries should be at a level to encourage the very best students to enter the teaching profession. She also believed that teachers salaries should be at a level to encourage the very best students to enter the teaching profession. She also believed that teachers who continued their own education should be rewarded.

Mrs. Evans favored a merit pay system for teachers using student test scores as criteria. She would have removed subjectivity from the performance appraisal process by establishing preset performance criteria and by evaluating teachers monthly. Mrs. Evans also believed the amount of surplus carried over from school year to school year should have been a factor in adjusting salaries. Her opinion was that the surplus should equal about ten percent of the budget.

The attitudes of the three remaining board members were not as firmly set as those of either Dr. Browne or Mrs. Evans. However, their views tended to fit more closely with those of Dr. Browne. On the other hand, they did agree with Mrs. Evans on one point. She had convinced them that the board should play a greater role in setting policy for the Avon School District.

The President of the ADTA. George Walker was a full-time ADTA employee who received a salary equivalent to what he would receive if he were teaching. He was a former junior high school civics instructor with over fifteen years of experience. Walker felt that the turning point in ADTA's relationship with the board of education came with the election of Mrs. Evans. Prior to that time the board members did not pay attention to Walker when he addressed them. This convinced Walker that ADTA should attempt to elect board members who would be fair to the teachers. He believed this course of action was necessary if ADTA was to have any influence over the terms and conditions of employment in the Avon School District.

The availability of funds was the major determinant of salary adjustments according to Mr. Walker. However, he stressed that it was important to analyze the budget to identify possible sources of extra funds for raises. ADTA used a computer package developed by one of the members to monitor allocation of funds in the Avon School District budget. Mr. Walker emphasized the need to reward teachers for staying in the district and for pursuing further education. He believed teachers should earn as much as other professionals.

Mr. Walker's position with respect to rewarding teachers for longevity and for continuing their education had the solid backing of the vast majority of teachers in the district. Even most recently hired teachers with only a bachelor's degree believed there must be

a meaningful financial incentive if top notch teachers were to continue their education and remain at Avon.

In Walker's opinion, ADTA's philosophy regarding pay policy differed from the school administratin's philosophy in two respects. First, ADTA favored percentage adjustments rather than constant dollar amounts. Percentage adjustments widened the differential in pay between those in the beginning steps and those in the highest steps of the salary schedule. Alternatively, across-the-board dollar adjustments narrowed the pay differential across steps. Second, ADTA emphasized affordability (or availability of money) rather than comparability. Mr. Walker did not view the superintendent's salary comparisons with the Madison School District as relevant. The ADTA leader also had strong opinions about surpluses and merit pay. "As far as surpluses go, the district did not have them years ago so they do not need them now. If they want merit pay, all I can say is that they are going to have to pay for it!" The salary information supplied to ADTA by the state education association is displayed in Exhibit 2.

#### The President of Educational Support Personnel Organization.

Brent Adams had just become ESPO's first president at Avon. He believed that the support personnel whom ESPO represented had been treated like second class citizens. Teachers who worked with handicapped children received a five percent salary differential (by state law) but teacher's aides (support personnel) who worked with these children received no supplemental pay. According to Adams teachers received greater percentage increases in past years than support personnel. Mr. Adams was pushing for the same relative status for his group as was held by administrators and teachers. If Avon's adminstrators and teachers were paid more than administrators and teachers employed by other school districts, then Avon's support personnel should have been paid correspondingly more than support personnel employed by other school districts. See Exhibit 3 for the data which the ESPO leaders believed supported their position.

Support personnel were proud of their jobs. They favored a merit pay component to salary increases and wanted the performance appraisal feedback that must accompany such a system. However, with respect to the non-merit component of salary adjustments the group was split over how such increases should have been distributed. A majority of the members favored the sam

percentage increase for all. The group's leadership wanted everyone to receive the same dollar amount increase. Consequently, the group planned to ask for percentage increases some years and a flat amount other years. Finally, support personnel believed that they understood revenue sources for the district, but they did not trust the superintendent. They believed that the administrators distributed the money unfairly.

### Situation Summary

Negotiations for the 1985-86 school year were expected to run much more smoothly than the previous year because all parties wished to avoid another debacle. Exhibits 4 and 5 provide information about Avon's status relative to the seven largest districts in the State. Exhibit 6 reports the 1984-1985 salary structure for all job classifications in the Avon School District compensation system. Given the different perspectives of the parties to the salary adjustment process, the determination of appropriate adjustments to the salary structure was open.

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### REFERENCES

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David W. Belcher and Thomas J. Atchison, Compensation Administration, 1987, Englewood Cliffs, NJ: Prentice-Hall, Inc., pp. 99-156.

Elmer H. Burack, Planning for Human Resource Management: A Managerial Summary, 1983, Lake Forest, Illinois: Brace-Park.

## EXHIBIT 1

OPERATIONAL MANAGEMENT BUDGET  
GENERAL FUND 1984-85

REVENUES

<u>SOURCE</u>	<u>Approved</u> <u>8/24/84</u>	<u>Adjustment</u> <u>Requested</u>	<u>Adjusted</u> <u>6/30/85</u>
<u>Local &amp; County</u>			
Current Ad Valorem	5,737,746.70	403,434.91	6,141,181.61
Prior Year Ad Valorem	4,285,059.40	22,346.87	4,307,406.27
4 Mill Levy	942,257.84	346,455.33	1,288,713.17
County Apportionment	392,463.65	(97,177.60)	295,286.05
Transfer Fees	-0-	7,535.05	7,535.05
Parents Tuition	-0-	9,852.18	9,852.18
Insurance Loss Receipts			
General Loss	10,000.00	42,059.22	52,059.22
Sales of Property	5,000.00	54,522.69	59,522.69
Resale of Property (County)	-0-	16,449.14	16,449.14
Refunds to School District	-0-	86,250.06	86,250.06
Rentals	4,000.00	12,273.00	16,273.00
Pay Phone Commissions	600.00	6.53	606.53
Gifts & Donations	-0-	3,658.36	3,658.36
Cafeteria Salaries	<u>900,000.00</u>	<u>166,311.00</u>	<u>1,066,311.00</u>
SUB-TOTAL	12,277,127.59	1,073,976.74	13,351,104.33
<u>State Dedicated</u>			
Auto License	4,336,313.35	368,798.08	4,705,111.43
Gross Production	126,642.05	23,634.54	150,276.59
Boat & Motor	32,214.92	10,013.61	42,228.53
House Trailer	150,166.45	(117,266.87)	32,899.58
Motor Vehicle Fee	9,543.08	2,863.92	12,407.00
REA	9,739.93	156.98	9,896.91
State Apportionment	715,363.93	198,363.39	913,727.22
Federal Land Payment	-0-	<u>196.52</u>	<u>196.52</u>
SUB-TOTAL	5,379,983.71	486,760.07	5,866,743.78

## EXHIBIT 1 (continued)

SOURCE	Approved 8/24/84	Adjustment Requested	Adjusted 6/30/85
<b>State Appropriated</b>			
Foundation & Incentive Aid	15,993,210.00	21,308.00	16,014,518.00
Current Year Teacher & Support Sal. Increase	2,257,681.00	11,067.00	2,268,748.00
Staff Development	31,767.00	-0-	31,767.00
Supplementary Textbook Materials	42,901.00	-0-	42,901.00
Special Education (Gifted/Talented)	600.00	(15.00)	585.00
Homebound Aid	25,000.00	(2,743.00)	22,257.00
Drivers Education Aid	65,000.00	(6,040.00)	58,960.00
Reimbursement Non-AVTS Salary	91,762.00	(1,000.00)	90,762.00
Reimbursement On-The-Job Train.	500.00	(500.00)	-0-
Aid for AVT School	476,924.00	7,906.10	484,830.10
Aid for AVTS Adult Education	11,115.00	(5,726.00)	5,389.00
Teacher Consultants	10,000.00	2,810.00	12,810.00
Transportation Grants	<u>68,406.00</u>	<u>-0-</u>	<u>68,406.00</u>
SUB-TOTAL	19,074,866.00	27,067.10	19,101,933.10
<b>Federal</b>			
PL 874 Impact Aid	490,000.00	481,926.44	971,962.44
Chapter I	554,011.00	(62,376.00)	491,635.00
Chapter II	118,914.00	-0-	118,914.00
PL 94-142 EHA-B	389,651.00	(47,718.84)	341,932.16
Deaf Education 89-313	-0-	5,580.00	5,580.00
Indo-Chinese Refugee	-0-	3,101.00	3,101.00
Dept. of Human Services	-0-	<u>7,304.61</u>	<u>7,304.61</u>
SUB-TOTAL	1,552,576.00	387,853.21	1,940,429.21
TOTAL COLLECTIONS	38,284,553.30	1,975,657.12	40,260,210.42
Per capita	2,496.87		2,625.72

## EXHIBIT 1 (continued)

1984-85  
EXPENDITURES

IDENTITY	Approved 8/24/84	Adjustment	Adjusted 6/30/85
<u>Administration</u>			
Salary-Cert. Adm. Supt. Office	380,190.00	(13,015.71)	367,174.29
Salary-Non-Cert. Supt. Off.	414,860.00	(27,514.89)	387,345.11
Attorney Services	1,025,000.00	141.80	1,025,141.80
Auditor's Services	20,600.00	(1,100.00)	19,500.00
Other Expenses	<u>146,500.00</u>	<u>7,525.50</u>	<u>154,025.50</u>
SUB-TOTAL	1,987,150.00	(33,963.29)	1,953,186.71
<u>Instruction</u>			
Salary-Principals & Assistants	1,320,079.00	(121,139.86)	1,198,939.14
Salary-Coordimators & Supervisors	106,277.00	29,972.58	136,249.58
Salary-Teachers	18,190,325.00	(97,626.30)	18,092,698.70
Salary-Other Certified	933,690.00	(38,188.80)	895,501.20
Salary-Non-Certified	1,172,657.00	(63,354.64)	1,109,302.36
Instructional Supplies	451,823.00	49,470.53	501,293.53
Other Expenses	<u>695,323.00</u>	<u>151,298.41</u>	<u>846,621.41</u>
SUB-TOTAL	22,870,174.00	(89,568.08)	22,780,605.92
<u>Health Services</u>			
Salary-School Nurses	146,235.00	(1,216.82)	145,108.18
Other Expenses	<u>14,540.00</u>	<u>(12,418.37)</u>	<u>2,121.63</u>
SUB-TOTAL	160,865.00	(13,635.19)	147,229.81
<u>Transportation</u>			
Salary-Non-Certified	598,000.00	22,681.70	620,681.70
Replacement Buses	185,000.00	63,672.07	248,672.07
Other Expenses	<u>355,350.00</u>	<u>(99,707.18)</u>	<u>255,642.82</u>
SUB-TOTAL	1,138,350.00	(13,353.41)	1,124,996.59
<u>Plant Operation</u>			
Salary-Non-Certified	1,469,900.00	(87,469.82)	1,382,430.18
Contracted Services	41,800.00	24,700.35	66,500.35
Utilities	1,685,600.00	(344,801.52)	1,340,798.48
Other Expenses	<u>102,500.00</u>	<u>90,378.06</u>	<u>192,878.06</u>
SUB-TOTAL	3,299,800.00	(317,192.93)	2,982,607.07
<u>Plant Maintenance</u>			
Salary-Non-Certified	926,500.00	(13,945.25)	912,554.75
Contracted Services	98,500.00	23,884.67	122,284.67
Other Expenses	<u>506,600.00</u>	<u>44,589.64</u>	<u>551,189.64</u>
SUB-TOTAL	1,531,500.00	54,529.06	1,586,029.06

## EXHIBIT 1 (continued)

Fixed Charges

Employee Retirement	1,156,959.00	70,442.05	1,227,401.05
Social Security	1,873,617.00	167,582.35	2,041,199.35
Payments for Leaves	95,000.00	(8,789.77)	86,210.23
Salary + Bonus Adjustment	400,000.00	2,281,488.42	2,681,488.42
Medical Insurance	1,404,840.00	(1,308.53)	1,403,531.47
Workmen's Compensation	182,000.00	(12,000.00)	170,000.00
Unemployment compensation	25,000.00	(19,918.94)	5,081.06
Property Insurance	130,000.00	201,274.00	331,274.00
Other	<u>11,000.00</u>	<u>(8,540.00)</u>	<u>2,460.00</u>
SUB-TOTAL	5,278,416.00	2,670,229.58	7,948,645.58

Food Service

Salary-Administrative	135,000.00	(7,054.32)	127,945.68
Salary-Non-Certified	877,000.00	38,933.41	915,933.41
Other Expenses	<u>7,000.00</u>	<u>(7,000.00)</u>	<u>-0-</u>
SUB-TOTAL	1,019,000.00	4,741.33	1,023,741.33

Student Body Services

Salary-Extra Duties	44,500.00	(4,685.12)	39,814.88
Other Expenses	<u>150,000.00</u>	<u>5,257.39</u>	<u>155,257.39</u>
SUB-TOTAL	194,500.00	572.27	195,072.27

Community Services

School Guards	32,354.00	(2,577.00)	29,782.00
Other Expenses	<u>3,000.00</u>	<u>(2,582.08)</u>	<u>417.92</u>
SUB-TOTAL	35,354.00	(5,154.08)	30,199.92

Outgoing Transfer Account

Tuition or Transfer Fees	80,000.00	(43,321.64)	36,678.36
Revaluation of Real Property	40,000.00	(40,000.00)	-0-
Refunds	<u>1,000.00</u>	<u>(1,000.00)</u>	<u>-0-</u>
SUB-TOTAL	121,000.00	(84,321.64)	36,678.36

Capital Outlay

Professional Services	1,500.00	(159.65)	1,340.35
Purchase of Land	200,000.00	(200,000.00)	-0-
Site Improvement	17,000.00	(16,266.00)	734.00
New Buildings & Additions	10,000.00	(6,641.79)	3,358.21
Remodeling	19,200.00	(11,867.27)	7,332.73
Equipment & Furniture	<u>265,504.00</u>	<u>1,143,753.56</u>	<u>1,409,257.56</u>
SUB-TOTAL	513,204.00	908,818.85	1,422,022.85

TOTAL EXPENDITURES	38,149,313.00	3,081,702.47	41,231,015.47
Per capita	2,488.05		2,689.04

DEFICIT EXCESS COLLECTIONS	135,240.30		(970,805.05)
SURPLUS-PRIOR YEAR	8,364,509.59		8,364,509.59
CANCELLED OBLIGATIONS- PRIOR YR	-0-		324,203.87
LESS COUNTY REVALUATION OF REAL PROPERTY	(34,046.65)		(37,795.45)
SURPLUS FOR ENSUING YEAR	8,465,703.24		7,680,112.96
	22 19%		18.63%

## Exhibit 2

State Education Association Data for  
the Seven Largest Districts

	Pupils per administrative staff	Administrative salaries as a percentage of expenditures	Pupils per instructional staff	Instructional salaries as a percentage of expenditures	Average instructional salary
	-----	-----	-----	-----	-----
Avon	297	4.7%	16.8	51.7	23,746
Grand Island	245	5.8%	15.5%	56.3	25,471
Lincoln	187	7.6%	16.2	54.6	21,809
Madison	252	5.8%	16.1	58.0	22,289
North Platte	237	6.5%	17.4	49.3	19,065
Omaha	147	8.2%	15.9	48.4	20,346
Plattsmouth	298	5.3%	16.6	53.0	20,404

## Exhibit 3

Educational Support Personnel Data - 1983-1984

	Avon	Madison	Lincoln
Enrollment	16,500	17,134	17,383
per pupil expenditure (1983-84)	2,199	2,129	2,424

## Annual Salaries

<u>Superintendent's Office</u>	Low	14,956	12,702	11,550
	High	15,318	25,413	16,627
Secretary/ Stenographer	Ave.	---	15,002	13,689
	Num.	20	10	38
Accounting/ Payroll Clerk	Low	21,809	12,941	11,550
	High	21,809	15,300	16,061
	Ave.	21,809	14,046	13,806
	Num.	1	6	2
Clerk-Typist	Low	10,594	---	9,540
	High	11,554	---	11,970
	Ave.	11,075	---	10,885
	Num.	9	---	16
<u>Building Level</u>	Low	9,152	9,696	8,889
	High	12,502	14,404	14,230
Secretary/ Stenographer	Ave.	10,799	10,848	10,658
	Num.	110	37	79
Library Clerk	Low	---	8,532	---
	High	---	9,892	---
	Ave.	---	8,971	---
	Num.	---	13	---

## Per Hour Salaries

Teacher Aide	Low	4.56	6.66	5.07
	High	4.56	7.72	5.07
	Ave.	4.56	7.00	5.07
	Num.	7	28	9
Custodian	Low	5.45	5.31	5.28
	High	6.29	8.98	7.94
	Ave.	5.95	6.30	6.61
	Num.	98	194	205
Cafeteria Worker	Low	3.65	4.67	5.28
	High	3.65	5.49	6.54
	Ave.	3.65	4.95	5.91
	Num.	165	145	82
Bus Driver	Low	Paid on	8.77	3.25
	High	basis of	10.50	4.13
	Ave.	number of	9.42	3.69
	Num.	runs	59	71

Exhibit 4

Comparative States for the State's Seven Largest Districts  
1984-85

	<u>ADA*</u>	<u>TR**</u>	<u>TR PER CAPITA</u>	<u>TE***</u>	<u>TE PER CAPITA</u>	<u>SURPLUS</u>	<u>SURPLUS AS % OF REVENUES</u>
Avon	15,132	\$40,602,414	\$2,683	\$41,268,810	\$2,727	\$7,705,233	19.0
Grand Island	40,771	123,004,386	3,017	119,399,541	2,929	6,229,136	5.1
Lincoln	17,022	41,048,319	2,411	42,064,747	2,471	3,540,517	8.6
Madison	16,391	39,043,708	2,382	39,200,824	2,392	1,626,788	4.2
North Platte	11,856	26,336,304	2,221	26,275,000	2,216	1,680,922	6.4
Omaha	36,288	97,063,492	2,675	96,119,791	2,649	4,355,476	4.5
Plattsmouth	13,972	32,517,985	2,327	32,428,320	2,321	2,738,912	8.4

- \* ADA is the district's average daily pupil attendance
- \*\* TR is Total Revenue
- \*\*\* TE is Total Expenditures

Exhibit 5

Salary Ranges for Selected Positions  
1984-85

	<u>Superin- tendant</u>	<u>Senior High Principal</u>	<u>Teacher- Bachelors</u>	<u>Teacher- Masters</u>	<u>Supt's Secretary</u>	<u>Elementary Principal's Secretary</u>	<u>Skilled Maintenance</u>
Avon	65,580	33,840-42,420	14,913-22,566	16,405-25,220	18,788-22,433	10,566-12,205	16,566-18,317
Grand Island	77,148	32,919-51,772	14,963-26,437	16,459-28,430	20,376-31,379	9,449-14,551	13,228-20,371
Lincoln	63,107	42,002	11,061-19,625	12,234-21,472	11,687-14,629	7,432-9681	10,858-13,894
Madison	69,800	38,165-40,146	12,250-21,894	13,450-23,094	21,200-26,424	9,064-11,330	17,514-21,892
North Platte	63,603	34,500-42,647	14,100-20,500	15,100-22,700	14,400-17,112	8,965-11,027	15,558-19,136
Omaha	66,250	39,271	14,500-22,000	15,475-23,500	13,920-19,080	9,600-14,760	15,720-20,880
Plattsmouth	66,465	41,980	13,651-21,990	14,821-23,160	16,326-21,713	9,039-12,022	14,747-19,614

## EXHIBIT 6

## AVON SALARY SCHEDULES 1984-85

<u>STEP</u>	<u>COORDINATOR</u>	<u>DIRECTOR</u>	<u>ASSISTANT SUPERINTENDENT</u>
1	33,006	36,732	40,010
2	33,666	37,437	40,835
3	34,326	38,142	41,660
4	34,986	38,847	42,485
5	35,646	39,552	43,310
6	36,306	40,257	44,135
7	36,966	40,962	44,960
8	37,626	41,667	45,785
9	38,286	42,372	46,610
10	38,946	43,077	47,435
11	39,606	43,782	48,260
12	40,266	44,487	49,085
13	40,926	45,192	49,910
14	41,586	45,897	50,735
15	42,246	46,602	51,560

<u>STEP</u>	<u>ELEMENTARY PRINCIPAL</u>	<u>JUNIOR HIGH ASST. &amp; OTHER</u>	<u>JR. HIGH PRINCIPAL &amp; SR. HIGH 1ST ASST.</u>	<u>SENIOR HIGH PRINCIPAL</u>
1	30,000	29,040	31,320	33,840
2	30,600	29,640	31,920	34,440
3	31,200	30,240	32,520	35,040
4	31,800	30,840	33,120	35,640
5	32,400	31,440	33,720	36,240
6	33,000	32,040	34,320	36,840
7	33,600	32,640	34,920	37,440
8	34,200	33,240	35,520	38,040
9	34,800	33,840	36,120	38,640
10	35,400	34,440	36,720	39,240
11	36,000	35,040	37,320	39,840
12	36,600	35,640	37,920	40,440
13	37,200	36,240	38,520	41,040
14	37,800	36,840	39,120	41,640
15	38,400	37,440	39,720	42,240

## EXHIBIT 6 (continued)

EXP	TEACHER-BACHELOR'S DEGREE				TEACHER-MASTER'S DEGREE			
	SALARY	TR	A/H	TOTAL	SALARY	TR	A/H	TOTAL
0	14913	746	600	16259	16405	820	600	17825
1	16306	815	600	17721	17823	891	600	19314
2	16787	839	600	18226	18327	916	600	19843
3	17147	857	600	18604	18711	936	600	20247
4	17627	881	600	19108	19254	963	600	20817
5	18109	905	600	19614	19818	991	600	21409
6	18467	923	600	19990	20244	1012	600	21856
7	18956	948	600	20504	20809	1040	600	22449
8	19357	968	600	20925	21236	1062	600	22898
9	19892	995	600	21487	21799	1090	600	23489
10	20293	1015	600	21908	22227	1111	600	23938
11	20829	1041	600	22470	22790	1140	600	24530
12	21229	1061	600	22890	23217	1161	600	24978
13	21765	1088	600	23453	23781	1189	600	25570
14	22029	1101	600	23730	24073	1204	600	25877
15	22566	1128	600	24294	24635	1232	600	26467
16					24928	1246	600	26774
17					25220	1250	600	27070

EXP-----NUMBER OF YEARS OF PREVIOUS TEACHING EXPERIENCE  
 SALARY---AMOUNT TO BE RECEIVED BY THE TEACHER BEFORE TAXES AND OTHER DEDUCTIONS  
 TR-----TEACHER RETIREMENT PAID ON SALARY BY THE BOARD  
 A/H-----ACCIDENT AND HEALTH INSURANCE PAID BY THE BOARD  
 TOTAL----AMOUNT PAID IN SALARY AND FRINGES BY THE BOARD

STEP	SECRETARY TO SUPERINTENDENT	SEC. TO ASST.	PAYROLL SPECIALIST	SEC. TO ASST. SUPT.
		SUPT. & DEPUTY TREASURER		PERSONNEL, PAYMENTS, PURCHASING, ATTENDANCE SPECIALISTS
1	\$18,788.00	\$17,599.00	\$16,484.00	\$15,104.00
2	19,288.00	17,950.00	16,816.00	15,476.00
3	19,789.00	18,300.00	17,148.00	15,849.00
4	20,289.00	18,652.00	17,479.00	16,220.00
5	20,789.00	19,003.00	17,811.00	16,596.00
6	21,289.00	19,354.00	18,143.00	16,966.00
7	21,861.00	19,704.00	18,723.00	17,331.00
8	22,433.00	20,054.00	19,054.00	17,695.00

## EXHIBIT 6 (continued)

STEP	DATA PROCESSING SPECIALIST	ADM. ASST. FOR PROPERTY ACC. & INS. MGMT.	SENIOR HIGH FIRST & VO-TECH FIRST CLERICAL (3 SKILLS REQUIRED)	SENIOR HIGH SECOND CLERICAL (2 SKILLS REQUIRED)
1	\$14,599.00	\$19,502.00	\$11,796.00	\$10,808.00
2	14,929.00	19,932.00	12,042.00	11,050.00
3	15,259.00	20,359.00	12,301.00	11,303.00
4	15,588.00	20,789.00	12,548.00	11,544.00
5	15,918.00	21,218.00	12,806.00	11,786.00
6	16,247.00	21,646.00	13,041.00	12,039.00
7	16,567.00	22,075.00	13,300.00	12,280.00
8	16,907.00	22,505.00	13,558.00	12,533.00
			(47 weeks)	(46 weeks)

STEP	JUNIOR HIGH FIRST CLERICAL (3 SKILLS REQUIRED)	ELEMENTARY FIRST CLERICAL (3 SKILLS REQUIRED)	JUNIOR HIGH SECOND CLERICAL (2 SKILLS REQUIRED)	ALL OTHER CLERICAL (2 SKILLS REQUIRED)
1	\$11,050.00	\$10,566.00	\$ 9,840.00	\$ 9,598.00
2	11,303.00	10,808.00	10,071.00	9,818.00
3	11,554.00	11,039.00	10,324.00	10,060.00
4	11,786.00	11,270.00	10,555.00	10,302.00
5	12,039.00	11,512.00	10,797.00	10,544.00
6	12,280.00	11,743.00	11,006.00	10,775.00
7	12,533.00	11,985.00	11,248.00	10,995.00
8	12,763.00	12,205.00	11,501.00	11,237.00
	(46 weeks)	(44 weeks)	(44 weeks)	(44 weeks)

STEP	SEC. TO DIRECTOR BOOKKEEPER	RECEPTIONIST	CO-ORD. SECRETARY COMPOSER TYPIST ASST. PRINTER MAINTENANCE CLERK PRESCRIPTIVE SEC.	CLERK/TYPIST
1	\$13,955.00	\$13,296.00	\$12,581.00	\$11,446.00
2	14,326.00	13,667.00	12,952.00	11,695.00
3	14,696.00	14,039.00	13,325.00	11,940.00
4	15,071.00	14,413.00	13,699.00	12,190.00
5	15,442.00	14,784.00	14,070.00	12,437.00
6	15,815.00	15,156.00	14,442.00	12,684.00
7	16,188.00	15,526.00	14,811.00	12,932.00
8	16,561.00	15,896.00	15,181.00	13,181.00

## EXHIBIT 6 (continued)

<u>STEP</u>	<u>SENIOR FOOD SERVICE ACCOUNTANT</u>	<u>PURCHASING SUPERVISOR</u>	<u>FOOD SERVICE DIRECTOR'S SECRETARY</u>	<u>FOOD SERVICE RECEPTIONIST</u>
1	\$19,502.00	\$17,369.00	\$13,955.00	\$13,296.00
2	19,932.00	17,921.00	14,326.00	13,667.00
3	20,359.00	18,472.00	14,696.00	14,039.00
4	20,789.00	19,023.00	15,071.00	14,413.00
5	21,218.00	19,575.00	15,442.00	14,784.00
6	21,646.00	20,126.00	15,815.00	15,156.00
7	22,075.00	20,677.00	16,188.00	15,526.00
8	22,505.00	21,230.00	16,561.00	15,896.00

(44 weeks)

<u>STEP</u>	<u>CHIEF/LEAD JOURNEYMAN MAINTENANCE</u>	<u>MAINTENANCE JOURNEYMAN</u>	<u>MAINTENANCE LEADMAN</u>	<u>SKILLED MAINTENANCE</u>	<u>SEMI-SKILLED MAINTENANCE</u>
1	\$20,896.00	\$19,645.00	\$18,395.00	\$16,566.00	\$14,544.00
2	21,253.00	20,003.00	18,752.00	16,316.00	14,787.00
3	21,611.00	20,360.00	19,110.00	17,066.00	15,030.00
4	21,968.00	21,718.00	19,467.00	17,317.00	15,273.00
5	22,325.00	21,075.00	19,825.00	17,566.00	15,516.00
6	22,683.00	21,432.00	20,182.00	17,816.00	15,759.00
7	23,040.00	21,790.00	20,538.00	18,066.00	16,001.00
8	23,398.00	22,147.00	20,896.00	18,317.00	16,244.00

<u>STEP</u>	<u>MECHANICAL ENGINEER &amp; SENIOR HIGH CLEANING ENG.</u>	<u>JUNIOR HIGH BUILD. ENG.</u>	<u>ELEMENTARY BUILD. ENG.</u>	<u>CUSTODIAN</u>
1	\$14,315.00	\$13,599.00	\$13,025.00	\$11,849.00
2	14,558.00	13,843.00	13,268.00	12,094.00
3	14,801.00	14,085.00	13,511.00	12,337.00
4	15,045.00	14,328.00	13,754.00	12,580.00
5	15,287.00	14,572.00	13,998.00	12,822.00
6	15,530.00	14,815.00	14,240.00	13,065.00
7	15,773.00	15,058.00	14,482.00	13,309.00
8	16,017.00	15,300.00	14,725.00	13,551.00

## EXHIBIT 6 (continued)

STEP	MAINTENANCE LABORER	LEVEL II WAREHOUSEMAN	LEVEL I WAREHOUSEMAN	PRINTER	LEAD BUS MECHANIC
1	\$12,315.00	\$14,301.00	\$12,100.00	\$12,967.00	\$18,395.00
2	12,529.00	14,544.00	12,315.00	13,339.00	18,752.00
3	12,743.00	14,787.00	12,529.00	13,712.00	19,110.00
4	12,957.00	15,030.00	12,743.00	14,082.00	19,467.00
5	13,172.00	15,273.00	12,957.00	14,454.00	19,825.00
6	13,386.00	15,516.00	13,172.00	14,826.00	20,182.00
7	13,600.00	15,759.00	13,386.00	15,196.00	20,538.00
8	13,816.00	16,001.00	13,600.00	15,569.00	20,896.00

STEP	SKILLED BUS MECHANIC	SEMI-SKILLED BUS MECHANIC	BUS DRIVERS* (SINGLE RUN)	MEDIA AIDES	TEACHER'S AIDES
1	\$16,576.00	\$14,301.00	\$14.85	\$ 8,727.00	\$7,135.00
2	16,819.00	14,544.00	15.07	8,933.00	7,299.00
3	17,061.00	14,787.00	15.27	9,150.00	7,467.00
4	17,305.00	15,030.00	15.47	9,366.00	7,639.00
5	17,548.00	15,273.00	16.09	9,593.00	7,815.00
6	17,790.00	15,516.00	16.09	9,799.00	7,996.00
7	18,033.00	15,759.00	16.09	10,005.00	8,181.00
8	18,277.00	16,001.00	16.09	10,221.00	8,371.00

\*Drivers will be paid on number of runs each month at rate indicated. A 50% driver will receive rate indicated for a single run. Multiply this rate times 2 for 100% driver and times 3 for a 150% driver.

LICENSED AIDE TO PHYSICAL AND OCCUPATIONAL THERAPIST

EXPERIENCE	SALARY
0	\$11,580.00
1	11,830.00
2	12,080.00
3	12,330.00
4	12,580.00
5	12,830.00
9	13,080.00
7	13,330.00
8	13,580.00
9	13,830.00
10	14,080.00