May 3, 1962

Board of Education
Santa Barbara City Schools
1235 Chapala Street
Santa Barbara, California

Mrs. Henderson and Gentlemen:

REPORT OF SALARY SURVEY COMMITTEE

The Salary Survey Committee was appointed by the Board of Education in June, 1961, for the purpose of considering all aspects of compensation for teachers, administrators, and classified personnel, including techniques of scheduling, incentive pay programs, salary levels, and other related factors.

The Committee membership consists of representative citizens; members of the teaching, administrative, and classified staffs, a Board member, and representatives of the Cooperative Personnel Services of the California State Personnel Board, which was retained by the Board of Education as professional consultant.

The Committee has met almost weekly for at least two hours during the past 10 months in an earnest effort to acquire the necessary information and to analyze the many complex factors in the entire compensation program. In our pursuit of answers to the question of what constituted desirable and feasible compensation programs for the various classes of personnel in the Santa Barbara City Schools, we were guided by the following basic considerations:

1. In order to hire and retain well-qualified and competent personnel in all classifications of service, it is imperative that salaries paid by the Santa Barbara City Schools be competitive with salaries paid comparable positions elsewhere. In the case of certificated positions, both teaching and administrative, competition with other school systems is particularly keen, and some of the top administrative positions also compete with similar positions in private industry. In the case of most classified positions, prevailing salary levels paid by private industry and other public agencies in the local area are particularly applicable to salary levels recommended for school district employees.

2. Salaries for positions within each major personnel group (certificated and classified) must bear logical relationships to one another according to relative levels of responsibility and qualification standards. In the case of classified personnel, the amounts and varieties of skills and the special knowledge required in the different positions are also of major importance in the determination of salary relationships.

3. In consideration of our type of community and the tax base of the school districts, the Santa Barbara City Schools should strive to pay fair and competitive salaries which are in the general range of the median salaries paid comparable positions elsewhere. It is unrealistic to support a situation where salaries paid in Santa Barbara are at or near the bottom of those paid similar positions in other comparable school systems. It is equally unrealistic that Santa Barbara should pay the highest salaries among such school systems.
Under the Committee's direction, the Cooperative Personnel Services gathered and compiled a tremendous amount of data for our analysis. Several of the reports prepared for our consideration are attached hereto as supporting data to this report. They reflect the extensiveness of our deliberations, and provide additional information concerning our recommendations.

In order to assure study in depth of the various questions before us, several subcommittees were organized to work with the professional consultants in gathering and analyzing data pertinent to their particular areas of investigation, and to report back to the Committee of the Whole. These subcommittees were in the areas of teachers' salaries, administrators' salaries, classified salaries, and incentive pay programs. A special committee also outlined specific questions on which Dr. Scharer was asked to get further information on his trip East in February.

Another valuable source of information was the special seminar on Teacher Performance Appraisal at Carmel in March. This seminar was sponsored by Barrington and Company, Inc. At the request of the Committee, the Board authorized the Committee Chairman to attend this intensive three-day conference on incentive pay programs of various types which had been or were being tried, or which were being considered in various school systems throughout the country.

The Citizens' Advisory Committee was also at work during the first five months of our deliberations. At the request of the CAC, the Salary Committee presented an interim report to the Board of Education last October recommending inclusion of the following amounts in budget and election plans for 1962-1963 in order to permit adjustment of salaries toward the median levels for the 1962-1963 fiscal period:

<table>
<thead>
<tr>
<th>EMPLOYEE GROUP</th>
<th>TOTAL EXPENDITURE FOR SALARIES, 1961-1962</th>
<th>EST. ADDITIONAL AMOUNTS NEEDED FOR 1962-1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers</td>
<td>$4,191,765</td>
<td>$215,000</td>
</tr>
<tr>
<td>Administrators</td>
<td>580,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Classified staff</td>
<td>1,313,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Totals (both districts)</td>
<td>$6,084,765</td>
<td>$350,000</td>
</tr>
</tbody>
</table>

This recommendation was in turn referred by the Board to the Citizens' Advisory Committee for its consideration in determining High School District tax rate needs for the next several years. It was then approved by the Board for presentation to the electorate at the special election in March. As we all know, the increase in the High School District tax rate was authorized on March 27, 1962.

At the time of our October interim report, we reported to the Board what we were continuing our deliberations and would report again this spring. At this time we are presenting a second interim report based on our further studies and conclusions.

Since the total sum of money involved is within the amount recommended by the Citizens' Advisory Committee, we recommend our interim recommendations outlined below be included in the Board's budgetary plans for the 1962-1963 fiscal year.
TEACHERS' SALARIES

1. We have yet to complete our work on a long-range teachers' compensation plan. As our studies have proceeded, it has become increasingly clear that the details of a salary schedule based on new concepts and principles cannot be ready for implementation for the ensuing school year. We recommend, therefore, that the present structure of the basic salary schedule for teachers be continued on an interim basis for 1962-1963, and that the amounts of the annual salaries in the respective steps of the three classes be increased in accordance with Attachments I, II, and III.

2. The teachers' salary schedule must always have an adequate base, and must provide professional salaries at all steps of all classes. Despite the 5% adjustment for 1961-1962, teachers' salaries in Santa Barbara are still substandard excepting at the starting level. The interim schedule proposed will bring Santa Barbara's teachers' salaries more nearly in line with the medians prevalent in other comparable California school districts. The total salary increase recommended has been distributed in a manner to maintain competitive starting salaries and to extend the school maximums to levels that approach the medians in other districts. (Please see Attachment IV re. trends in median salaries of California public school teachers.)

3. It is estimated that the proposed schedule will cost the school system an increase of $223,400. (excluding additional positions), or approximately 5% over continuing the 1961-1962 schedule for the number of positions in the school system this year. The amounts of the recommended increases at the respective steps range from 2.2% at Step I of Class I to 7.7% of Class III, Step 13. This estimate compares with our earlier estimate of $215,000 submitted to the Board on October 16, 1961.

4. We are continuing our exploration of all facets of an incentive pay plan for teachers in Santa Barbara, and our recommendations outlined above will be in harmony with our final recommendations to the Board. We are in process of carefully analyzing the strengths and weaknesses of such plans for teachers in other school systems throughout the country in order to develop some type of schedule which will fairly and adequately reward the excellent teacher here.

5. This problem is not unique to Santa Barbara - it has been the subject of controversy and increasing discussion throughout the country. The Committee feels that the public in general is opposed to the "lock-step" type of schedule whereby every teacher can attain the maximum salary if he stays on the job long enough. It appears the public in general is equally concerned that some type of plan can be evolved which will reward the master teacher and keep him in the classroom.

6. We have reached the unanimous conclusion after many, many hours of thoughtful discussion that no system of merit considerations can expect to succeed if it is imposed on the staff without a "dry-run." If such a plan in Santa Barbara or elsewhere is to be truly successful, it will necessarily involve a period of several years in developing evaluation procedures before it can be implemented financially. The failure of many so-called "merit-pay plans" can be attributed more to precipitous implementation than to any other single factor, and it is hoped that the development of an evaluation system for Santa Barbara will include the personal participation of teachers in all of its aspects.
ADMINISTRATORS' SALARIES

1. In considering a compensation plan for general and school administrative positions, the Committee first recognized that there has been some opposition to the percentage differential type of schedule for administrators which was directly related to the basic salary schedule for teachers.

2. This type of schedule was in effect in Santa Barbara for a number of years prior to the Board's action last spring to discontinue percentage differentials for administrative positions, and to "freeze" the dollar amounts of administrative differentials to the amounts paid for the 1960-1961 school year. At that time, the Board also separated the positions of Superintendent and Assistant Superintendent from both the basic and the administrative salary schedules and froze the salaries for these three positions at their 1960-1961 levels.

3. In developing interim recommendations on administrative salaries, we studied administrative salary schedules from a large number of unified or common administration districts, with particular attention being given to data on certain positions in 18 other California school districts of most comparable size to Santa Barbara. Our investigation showed that the Santa Barbara City Schools is below, in some cases quite markedly, the median salary in each category for which data was collected. The studies showed that our present salaries for administrators are an average of 5% below the median figure for these 18 districts.

4. Although we are recommending an administrative salary adjustment of approximately 5% next year, a projection of increases in administrative salaries for the past ten years indicates an increase of at least 6% in median salaries can be expected for 1962-1963. We therefore estimate that it would require a 9.5% increase to bring administrative salaries to the median figure anticipated for next year. (Please see Attachments V and VI for further information.)

5. We recommend that present administrative personnel be given interim salary adjustments for 1962-1963 on the basis of the following formula:

   Total salary for 1961-1962  
   Plus 4% of total, but with total increase for each employee of not to exceed 7-1/2% of his 1961-1962 salary  
   Plus differential adjustment for increased time assignment, if any

6. The proposed interim plan of equity adjustments for next year makes provisions for direct negotiation between the Board of Education and the Superintendent on the matter of the Superintendent's salary; inclusion on the administrative salary schedule of the positions of the Assistant Superintendents.

7. Extensive study will be made of each position to ascertain a good understanding of the requirements and responsibilities of each one. We are in process of developing position specifications for analysis on the basis of such factors as:

1. Responsibility for and consequences of taking action or making decisions
2. Complexity and difficulty of work
3. Public contact responsibilities
4. Academic training required
5. Experience required
6. Time requirements on the job
7. Other applicable factors
8. All of the administrative positions will then be analyzed on the basis of responsibility relationships which we hope can be used as the foundation for a step-by-step salary schedule for administrative personnel.

9. The total estimated cost of our proposed salary adjustments for presently employed general and school administrators is $34,700, including approximately $2,800 for the cost of extending time assignments for specific positions. This total is $300 less than our estimate of $35,000 last October.

SALARIES OF CLASSIFIED PERSONNEL

The salary plan for classified employees, unlike those of teachers and administrators, appears to be eminently satisfactory in organization and application. A great deal of study was given to developing a sound classification and pay plan for 1960, and the Committee recommends that it be continued with some adjustments as outlined below.* (Please see Attachment VII) The present plan was developed by Cooperative Personnel Services, which also serves as professional consultant to our Committee. The classified salary plan is fair and equitable in principle, and its administration has been well maintained by the school system.

The Committee discussed the organization of the salary schedule structure with the professional consultant, and also discussed procedures to be followed in re-evaluating the entire program.

Salary data was gathered and studied from the following major sources:

1. Santa Barbara Wage and Salary Survey, November, 1961, conducted by the Santa Barbara Personnel Association Wage and Salary Administration Committee, which includes wage information from 64 private firms and non-profit organizations reporting a total employment of 10,850 persons in the Santa Barbara area, 2,816 of whom were working in positions comparable to the benchmark classes, Santa Barbara.

2. Cooperative Wage and Salary Survey, October, 1961, conducted jointly by the California State Personnel Board and the Bureau of Labor Statistics of the U.S. Department of Labor which includes wage information from 342 private firms reporting a total employment of 464,710 persons in the Los Angeles Metropolitan area, 57,955 of whom were working in positions comparable to the benchmark classes, L.A. Metro.

3. Other public agencies within a reasonable distance of the Santa Barbara School District which draw from the same area labor market.

In the cases of department heads and other positions of the type where the area of recruitment is much broader geographically than the local area, data from school districts of comparable size was also used.

Since the present classified salary schedule plan was put into effect in 1960, the classified personnel has been granted one 3% increase. In order to remain competitive in local labor markets, the Committee recommends that a % across-the-board increase for 1962-1963 be provided on the present
salary schedule, said increase to be accomplished by moving each position up one range on the classified salary schedule. We do not anticipate the need to make increases of this size again next year.

The Committee also recognizes the need for some equity adjustments due to changes in the organization, or changing conditions in the labor market for certain positions. We recommend that the Board and administration give consideration to such cases in specific salary schedule placements for the next school year.

We estimate the proposed 5% increase for classified personnel will result in an increased cost to the school system of approximately $66,000 next year, excluding any additional positions. We estimate that the necessary equity adjustments will cost approximately $13,000, making a total estimated cost of $79,000. Our estimate last October for this employee group was $100,000.

We further recommend that the Board and the administration continue to follow a well-considered application and administration of the classified salary plan in line with suggestions by the Cooperative Personnel Services.

SUMMARY REMARKS

As indicated in our previous comments, we are continuing our studies in the areas of an incentive pay plan for teachers, and an administrative salary schedule. All of our interim recommendations for 1962-1963 for these classes of employees are in harmony with whatever form our final recommendations may take as far as 1963-1964 is concerned.

Throughout our deliberations, our constant goal has been the improvement of instruction in classrooms. Our interim recommendations reflect this goal. They also reflect our considerations on developing reasonable and equitable final recommendations which are compatible with financial resources and limitations of the school districts; and our assessment of the way in which our salaries compare with prevailing salary levels and trends elsewhere. The interim recommendations will serve to bridge the gap between the present generally low level of salaries paid in the Santa Barbara City Schools, and attainable future salary goals.

Following is a recapitulation of the estimated cost of our recommendations at this time in comparison with our estimates last October:

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Total Expenditure for Salaries, 1961-1962</th>
<th>October Estimate</th>
<th>Revised Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers</td>
<td>$4,191,765.</td>
<td>$215,000.</td>
<td>$223,400. (1)</td>
</tr>
<tr>
<td>General and school</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>administrators</td>
<td>500,000.</td>
<td>35,000.</td>
<td>34,700. (2)</td>
</tr>
<tr>
<td>Classified personnel</td>
<td>1,313,000.</td>
<td>100,000.</td>
<td>79,000.</td>
</tr>
<tr>
<td>Totals</td>
<td>$6,084,765.</td>
<td>$350,000.</td>
<td>$337,100.</td>
</tr>
</tbody>
</table>

(1) Includes increased cost of step increases
(2) Includes approximately $2,800. cost of extending required time for certain positions
We have several items of unfinished business on interim salary adjustments for 1962-1963 which we hope to complete very shortly. These include recommended salary adjustments for hourly certificated personnel (such as home, summer session, and adult education teachers); substitute teachers, and other personnel not included in the three principal groups outlined above.

Special commendation is due Mr. Lucas and Mr. Fischer of the Cooperative Personnel Services for their competent services and cooperation. It would have been very difficult for us to make as much progress as we have without their professional assistance.

The job we had cut out for us has been a big one. Our studies these past 10 months have been most intensive, and much is yet to be accomplished. Despite the various viewpoints represented on the Committee membership, there has been a remarkable spirit of friendly give and take throughout the course of our deliberations. This has been a stimulating and thought-provoking experience for us all. We look forward to completing our assignment with meaningful conclusions which will serve the welfare of all concerned - professional educators, students, and the taxpayers and citizenry at large.

Respectfully submitted,

Elmer L. Shirrell, Chairman
Salary Survey Committee

ELS/gmb/je
Attachments: 7
DEDUCTIONS FROM GROSS EARNINGS

12-MONTH SALARY PAYMENT PLAN FOR SCHOOL MONTH CERTIFIED EMPLOYEES
All contract certificated employees who are employed on a school-month basis shall be paid in 12 installments beginning on the first work day of October of the current school year, and thereafter on the first work day of each succeeding calendar month.

In order to determine the amount of salary payable monthly, the annual salary shall be divided by 10, and an amount equal to 16–2/3% withheld from the gross amount payable. The total of the amounts so withheld shall be paid in two equal installments by not later than the fifth of August and the fifth of September of the succeeding school year.

FEDERAL INCOME TAX
Deductions for federal income tax shall be made on gross earnings of school system employees in accordance with the individual employee’s Withholding Exemption Certificate, and applicable withholding rates and rules and regulations prescribed by the United States Bureau of Internal Revenue.

Each employee shall file a Withholding Exemption Certificate (Form W-4) with the Payroll Office upon employment and whenever there is a change in exemption status.

RETIREMENT CONTRIBUTIONS
Deductions for retirement contributions shall be made on gross earnings of school system employees in accordance with the following general provisions:

Certificated Personnel:
All teachers employed in the public schools of the State of California, excepting those specifically exempted by State law, are members of the California State Teachers’ Retirement System.

Contributions to the Retirement System shall be at a rate determined by the State Teachers’ Retirement System and shall be based on sex, and age at date of effective membership in the Retirement System. Said retirement contributions shall be based on the applicable rate times the total gross salary paid by the school system.

In the case of certificated personnel employed for 10 school months but paid on a 12-month salary payment plan, the full amount of retirement contributions shall be taken from the first 10 salary payments.

Contract certificated employees employed on other than a school-month basis shall be paid in 12 installments beginning on the first work day of August of the current school year, and thereafter on the first work day of each succeeding calendar month, and retirement contributions shall be taken from each of the 12 salary payments for the school year.

Classified Personnel:
All regularly employed district classified employees, school lunch service employees, and child care employees, excepting those employed for less than half-time or on a short-term, temporary basis, automatically become members of the State Employees' Retirement System and OASDI (Social Security) on the first of the month next following their employment. The employee’s monthly retirement contributions are deducted from his gross salary, and are based on sex, and age at date of effective membership in the Retirement System.
Deductions from Gross Earnings -- continued

Note: In some cases, employees employed prior to January 1, 1960, are members of the State Employees' Retirement System only, or the State Employees' Retirement System and the Survivors' Benefit Fund Program. In such cases, appropriate retirement contributions are also deducted from gross salary payments.

GROUP INSURANCE
The Board of Education may in its discretion determine whether it is in the best interests of the school system and a majority of its certificated or classified employees, as the case may be, to authorize payroll deduction plans to provide for group life or health and welfare benefits for said classes of employees.

As a general policy, single plans of group life insurance, disability insurance, payroll protection insurance, and/or hospital service benefits may be permitted on the basis of majority preference of school district employees concerned; and alternative plans for any or all of such benefits will not be made available to said employees through payroll deductions.

DEDUCTIONS FOR ORGANIZATION DUES
The Board of Education may in its discretion permit payroll deductions for the purpose of paying dues for membership in professional organizations, subject to authorization by individual employees concerned. In general, such payroll deduction plans shall be limited to the following principal organizations of which the majority of school district employees are members; and a charge shall be made for the cost to the district of such dues deductions:

Certificated Personnel: Unified dues for annual membership in the Santa Barbara City Teachers' Association, the California Teachers' Association, and the National Education Association

Classified Personnel: California School Employees' Association

PRESENT PAYROLL DEDUCTION PROGRAMS IN SANTA BARBARA CITY SCHOOLS:

Certificated Personnel
Federal withholding tax
California State Teachers' Retirement System
Insurance:
California Physicians' Service
Hospital Service of Southern California (La Cumbre staff)
Washington National (income protection)
Professional dues:
S.B. City Teachers' Assn.
California Teachers' Assn.
N.E.A.

Classified Personnel
Federal withholding tax
California State Retirement System
OASDI
Survivors' Benefit Fund
Hospital Service of Southern California

Calif. School Employees' Association