

**Second Amendment
to
Tucson Unified School District
2016-2017 301 Pay for Performance Plan
Submitted by the 301 District and TEA Joint Task Force**

Purpose:

The purpose of this “Second Amendment” is to address treatment of any Fund 12 funds from the Classroom Site Fund which are:

1. received for the 2016-2017 budget year, and
2. remain in Fund 12 after the agreed to plan components have been funded.

Difference between First Amendment and Second Amendment:

This Second Amendment addresses the Fund 12 Performance Pay funds that were received by the District during the 2016-2017 budget year (“New Funds”). It does not apply to the approximately \$9.5 million dollars of “surplus balance” discussed in the “First Amendment” approved by the Governing Board on December 13, 2016. The “surplus balance” addressed in the First Amendment, which accumulated through surplus funds being rolled over from prior years and did not contain any New Funds, will be fully distributed to qualified participants in accordance with the terms of the First Amendment.

Timeline for a Potential Distribution through the Second Amendment

The District will not know if there are any New Funds remaining in the 2016-2017 301 Plan until it has paid both plan components:

- (a) \$2,000 for the 301 professional learning community (“PLC”) work to be paid in May 2017 per eligible FTE, and
- (b) Approximately \$1,000 for the teacher evaluation classification (“TEC”) to be paid before the end of December 2017.

The Second Amendment is being created to add a provision to the 2016-2017 301 Plan which will permit distribution of any remaining New Funds to qualified plan participants after both of the above plan components have been paid. When the District budgets to pay 301 Performance Pay from Fund 12, it budgets to pay the full amount of 301 funds to each eligible plan participant as if each participant will complete the PLC work and obtain a “Highly Effective” TEC classification. However, after that budget is set and approved by a vote from 70% of the eligible teachers as well as the Tucson Unified School District Governing Board, some eligible participants either: (i) elect not to participate in the 301 Plan, (ii) fail to satisfy the PLC work, and/or (iii) receive a lesser TEC classification of effective, developing or ineffective. As a result, those individuals are not paid the full amount budgeted to them for 301 Performance Pay and a surplus remains in Fund 12 of the Classroom Site Fund.

The provision being added by this Second Amendment will help avoid any future surplus of New Funds by permitting any funds that remain after both plan components have been paid to be distributed to all plan participants who satisfy the PLC component of the 2016-2017 301 Plan proportionate to their TEC classification. The TEC classification must be used as the basis for distribution of any remaining New Funds

in Fund 12 in order to satisfy the ARS 15-977(c)(2) requirement the individual teacher performance component account for thirty-three percent (33%) of Fund 12. For example, if 2000 FTE plan participants satisfy the PLC component of the 2016-2017 301 Plan, any New Funds that remain after both plan components have been paid would be distributed to those plan participants proportionate to their TEC classifications through a third 301 payment.

Process:

On December 13, 2016, the Tucson Unified School District Governing Board directed that the 2016-2017 301 Plan be amended a second time to preclude future surpluses from building in Fund 12 again. This Second Amendment is required because the current 301 Plan does not permit distribution of funds that may remain after both plan components are paid (\$2,000 for the PLC to be paid in May 2017 and ≈ \$1,000 for the TEC classification to be paid before the end of December 2017). As a result of that Governing Board directive, the Tucson Unified School District and Tucson Education Association (TEA) began to develop a plan of action.

- The 301 District and TEA Joint Task Force reconvened to address the need for the Second Amendment.
- The Second Amendment was sent out to current 301 eligible employees for 70% ratification per state statute ARS 15-977.
- Upon ratification, the Second Amendment along with ratification results will be presented to TUSD Governing Board for approval.

Provision to be added by the Second Amendment:

The 2016-2017 301 Pay for Performance Plan, as amended on December 13, 2016, is hereby amended to include the following provision:

If any funds remain in Fund 12 of the Classroom Site Fund after the Pay for Performance Stipends identified in Article IV(B)(a) are fully paid, TUSD may retain up to five percent (5%) of the state's pay for performance allocation to TUSD for the 2016-2017 budget year to address potential 301 claims/appeals for SY 2016-2017 and distribute monies left from that five percent through the 2017-2018 301 Plan. Any money remaining from the 2016-2017 Fund 12 in excess of that five percent (5%) shall be distributed no later than the end of February 2018, on a pro rata basis, using each participant's 2016-2017 teacher evaluation classification.

All other provisions of the 301 Pay for Performance Plan, as amended on December 13, 2016, remain in full force and effect.