

MEA Bargaining 2016-2017
Session #2

Tuesday, July 12, 2016

Those present: Pat Barber, Sara Brown, Melissa Cohen, Scott Cooper, Jacob Davis, Deborah Houston, Helen King, Melanie Newhall, Bruce Proud, Rebecca Roberts, Don Sauer, Lesli Strickland, Bill Vogel and Dawn Walker.

Meeting began at 1:42 p.m.

Bill began by referencing the decision in Broward regarding teachers on AC being moved to performance pay schedule. Attorneys for the district say that the ruling applies to Manatee. Management feels like they will have to move all AC hired since 2011 to PP schedule.

Response to MEA Proposal – Extend Contract One Year except salary and benefits

Management is open to doing that and rolling MOUs. There is one item regarding one early release day to update early release MOU. The Early Release MOU was distributed.

Available Dollars for Salary and Insurance (Teachers and Paras)

Management thought we had agreement on insurance. MEA asked for flexibility when considering impact on employees. Management stated that there is flexibility understanding that health insurance and salary dollars come out of the same pot of money. The Health Insurance Committee (HIC) meets again on 7/19.

The budget is coming out soon, possibly today. Rebecca reported that new discretionary dollars reported by the state is a 1.2% increase. However, after consultation with budget department they are showing an increase of only 0.98%. There is new money but much is in categorical funding (charter schools). Board putting \$5.1 toward negotiations which equates to roughly 3% for salary enhancement and/or health insurance. Today 1.7% was put on the table to begin discussions. Board wants 1% going to salary enhancements. If there is more it is dependent on what agreement we can reach with health insurance.

Bill asked if we could discuss health insurance. Rebecca referenced and distributed the April census report provided by Aon because that is the month with the highest levels of employment. 1694 insuring spouse. 2676 not insuring spouse. 25% insuring spouse. Other 75% are not. Because we cover our spouses those who do not cover spouse help to cover payment of spouse. \$2892.56 per year to insure spouse. Just MEA – 2805 MEA teachers, 2303 in health insurance. 932 covering spouses. If we were not covering could put 1.69% pay enhancement. If we did not have to contribute \$2.4 million last year could have been put into salaries. For 15-16 \$36,983,000 dollars went to health insurance which included the \$4.9 million from the board.

Board contributions to health insurance over the past several years:

\$10,000,000 in '13-'14

\$6,500,000 in '14-'15

\$4,900,000 in '15-'16

Bruce -36,983,000 (March numbers).

Rebecca - Transfers were handled by revenue line. Did not start transfer until later in year. 2 quarterly. Bill – state does not like transfers. Changes in accounting had to be made. In '14-'15 transfers from general fund were made to the health insurance fund. The state believes these transfers do not ensure the health and stability of the health insurance fund. In '15-'16 the funds were ran through revenue instead of transfers.

Bruce said that he has been using the numbers provided by Aon. Health insurance is more complicated than dollars and cents. If you change what you're providing it causes some to be non-insured. For some it may cause them not to show up for work. By making changes management is suggesting we may experience adverse selection by making it too expensive. This change doesn't help the community much. This has an adverse affect on community and employees. This requires a long term conversation not a quick fix. What was proposed in HIC was short-sighted. Rebecca stated that HIC is made up of both representatives from unions and management. She stated that it was a unanimous recommendation to bring forward the \$610 PMPM to the superintendent.

Bill stated that the board is concerned and that we need to work together to address the health insurance issue.

Bruce wants to discuss health insurance further but wants to hold off until we know more about dollars and cents to see how salary and insurance balance together.

Bruce asked if the MOU includes new language than previous MOU.

Bill said he will take a look at it.

Bruce said we will take a look at MOU language.

Performance Pay Scenarios

Bruce distributed samples of what performance pay could look like. Grandfathered schedule. 6 level movement sample. Snapshot of Bachelor schedule. Used teacher experience grid (TEG) to get an idea of impact. Bruce walked the teams through how to read the sample, the costs, etc. Page 2 – HE moving 6, E moving 4 levels. 66 2/3%. 20% at HE; 80% at E.

With real data we can calculate pretty much how many people will fall in which rating.

Bill asked what would happen to HE GF teachers?

Bruce said there is no impact. Haven't moved anything for HE teachers. Haven't talked about differentiating on GF schedule.

Bill - The higher you go toward 75% the less differentiation you have between E and HE. Big challenge is explaining this to anybody.

Jacob stated that he was working with a scenario from the opposite direction. 1.33 to 2x more for HE.

Bruce stated that he did it that way because we have levels. He was trying to accomplish the simplest way to meet the demand of 50 – 75% using the current structure. Don't have a problem with looking at scenarios but

don't want to change structure dramatically.

Jacob asked if we preferred not to deviate from levels.

Bruce said he has done it both ways. It becomes very individualized. This maintains some structure where someone can say this is what happened this year and I can see if I'm in the right spot. In that way it's a little easier. The other way is OK. The district is going to have to provide payroll records soon to see what their tracking has been over time. Right now there is a structure in place that makes it easier to say where going from this year to next year. It's going to be complicated as you move forward.

Jacob stated that options become more limited with limited funds.

\$4.56 million increase with 6 level movement.

Bill stated that the easier to explain the better and asked Bruce to explain the cost.

Bruce discussed the breakdown of employees in the teacher bargaining unit. Looked at both schedules. Calculated cost. That's what it came out to. See page 3 of cost estimate of scenario.

Bill asked members who are on IPAT if these numbers are correct. Pat said the numbers are based upon data.

Can address GF or HE based on supplements. Figure out how much money we have and see if additional dollars are available. Bruce asked for management to get estimate of what this year's numbers look like. Bill indicated that this is already being worked on. December data reported. New data for this year will give the number strength as to what to predict.

Bruce says he reviews whole budget. \$4.9 million is a significant number. Where is it in budget? Bargaining is a decision.

Rebecca stated that the \$4.9 is part of reserve for salary and benefits. Budgeted \$32,623,755 for health insurance. Budget was based on recommendation that went to board of \$610 PEP. 4360 members. Rest went into reserve line until we reach an agreement. Overall increase in plan is \$3.3 million dollars. 7.1% increase of cost in plan over last year's dollars. This is AON's book of business' trend not plan's trend. \$610 from \$701 actually creates decrease of \$4,452 in premium. Shifts \$8 million to employees. \$5200 cost shift for those with family plans. Philosophy of what's best for overall community is what HIC has been talking about. To think that that kind of money can be absorbed by teachers and paras who make \$12,000/year cannot be absorbed. Rebecca - Spouses cost 125% of employee. Bruce stated that increases can be costly for families and spouses. Rebecca - \$5.1M is the teacher share.

Bruce stated that there really is no new money from last year to this year. It's actually a decrease. Rebecca stated that the budget will show that we will consume \$8 million of fund balance. \$8.8 is coming out of district's fund balance. \$6.5 million ending fund balance. May not meet minimum fund balance requirement. 1% new money – all revenue sources. Going to spend every bit and more. There's no money.

Bill said the district is prepared to try to do a bit more for paraprofessionals.

Unassigned reserve \$8.5 million.

Minutes from the June 20, 2016 meeting were distributed.

Bill stated we will have to see what happens at HIC. That will determine what scenarios we can afford.

Bruce stated that if we follow court order we need to know where these people are now to know how to cost it out. MEA needs to know how many people were hired between 2011 and 2014. Bill said management will find out where they are by level and supplement. Pat asked for a TEG for those people. Determine percentage of HE and E.

Meeting adjourned at 2:45 p.m.

Future meeting: Thursday, July 28, 2016 at 1:30 p.m.