

MEA Bargaining 2016-2017
Session #8

Tuesday, November 8, 2016

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

Meeting began at 4:27 p.m.

Minutes – The minutes of October 3, 2016 were distributed.

Bill began by recapping that the teacher contract was not ratified and why – because of situations beyond the district's control. Less than 1% was given by the state. That made it hard with operational costs going up beyond that. Insurance is a challenge. Costs are increasing. There are increasing demands on teachers, and it's a tough job. We are open to discussion. Turnout on the ratification vote was less than desired. The district would like to see the union get it back before the teachers to maintain current package.

Bruce – MEA put it out for ratification. Don't know if more votes would have changed outcome. It wasn't close. Not going to change dramatically. Many chose not to vote than to vote no. MEA attempted to honor the health insurance committee (HIC) recommendation in the process. That was clearly a major hurdle in the ratification process. MEA heard a lot from individuals and from our building reps in terms of where we are. MEA is prepared with a new proposal in an attempt to find an agreement that can be ratified.

Bruce distributed MEA Salary Proposal 11/8/16 – includes cost of living increase (COLA). MEA heard a lot from those who got no increase that chose to vote no. That's one area we can look at. MEA's proposal meets the confines of state law that says that COLA cannot be more than ½ of effective (E) salary increase. MEA's proposal returns to our previous proposal of 3 levels for E and 4 levels for highly effective (HE) on the performance pay schedule and 4 levels on grandfathered (GF) schedule. MEA proposal included cost over what the tentative agreement (TA) but not ratified cost was of \$1.6M. MEA's reason to return to proposal – increasing premiums that does not cover salary increases. MEA heard that loud and clear in many locations around the county. Individuals saw that as a clear loss to their financial ability to keep pace. They saw it as going backwards and weren't willing to vote for what the TA did. These numbers demonstrate July 1, 2016 retroactivity.

Bruce distributed MEA Proposal to District on Health Insurance 11/8/16. MEA's proposal is to modify board contribution for spouse and family. It does not modify employee or employee + children. MEA is not opposed to modifying overall plan costs because we believe 11% trend is not what the plan has revealed over the last couple of years. There is nothing in the data that says that that 11% trend makes a whole lot of sense. All steps that have been taken by HIC to shift copays and plan changes, in many ways does not demonstrate we are near national trend because of what we have done locally. MEA's proposal is to change board contribution. MEA's proposal is relatively small amount less for spousal coverage. MEA understands that employees +1 have been subsidized for a number of years. 117% claim differential for spouses as compared to employees.

Conversation around 20% differential is there. Small adjustment would make sense. MEA's proposal for spousal coverage per month is \$22 less than TA for gold, \$19 for silver, \$33 for bronze. Board subsidy changed to \$800 for all 3 plans for employee + spouse. In reviewing data around family coverage MEA is proposing to modify the board contribution to \$1125 for all 3 plans. Last year's board contribution for bronze was \$1239. Board contribution for silver was \$1196. Proposed board contribution still less than it was previously for family.

Rebecca asked if MEA's proposal was actuarially valid.

Bruce said it is as actuarially valid as the TA because it has not changed the overall premium. All this is doing is shifting premium from employee to board. It would still be actuarially sound by reducing plan by \$1.5M particularly since this is coming out of family trend data and MEA has not seen data that says family costs more. Still shifts some contribution to families.

Bill asked what Bruce saw as cost shift.

Bruce said the plan change is not any different. Shifts \$1.6M from employee to board. If the district got actuary to adjust from \$5.6M to \$3M it would still be actuarially sound.

Bill said that the additional cost of proposal is \$1.876M over the TA as far as the salary proposal. Cost of insurance shift to board is another \$1.6M. Cost to board would be \$3.476M.

Bruce concurred. MEA still agrees with other proposals TA'd.

Management caucused at 4:47.

Reconvened at 5:22 p.m.

Bill stated that if it were not for the constraints the district is under we would like to entertain MEA's proposal. Unfortunately the district is unable to approve. We would still because of the number of people that voted – who weren't aware that there was voting going on, have to click on the link, some people didn't know vote going on, in order to maintain package on table that we go out for revote. If revote is accomplished by 11/14 which would meet the 2-day window of notification then we would be able to maintain our package and our retro pay on the table. MEA guidelines require 48 hours to notify. Like you, we have heard a lot about insurance. There are people who are going to suffer a pay loss. We're willing to see if there is a way to see if we could do an informational campaign. If people want to call, do Q&A, get people to understand why we need to make changes in insurance. Spouse is costing an adverse impact on plan. District is very willing to do that.

Bruce stated that there is no way after reading this (Health Insurance Q&A sent on behalf of Deputy Supt. Ron Ciranna on 11/7/16) that you ought be communicating with bargaining unit members. That is just muddying the waters. The communication talks about doing things that clearly were not possible in the last 4 years. Says that district is going to contribute \$4.7M in 2017. That hasn't come across the bargaining table. MEA hasn't seen it anywhere. This document says that. We got lots of calls today. We'll take the 4% salary increase and the shift. Go back to the table and we will be fine. Don't think that communication helped. Ok, put 4% on table because that's what was said in the document. As long as you take the shift. No thanks on your informational meetings.

Not to mention that you don't have time to do informational meetings in time frame of 2-days notice, and neither do we.

Bill stated that the reason that date was selected, by statute the district has to have open enrollment during this year. 11/14 – 11/23 to have open enrollment. Even though some employee groups have agreed to 4 tier. Insurance people are saying we can't go forward with 4 tier while having 3 tier at same time. That is the rationale for 11/14. This would allow vendors to process by 11/28 so rates could go into effect as of 1/1/17. The district was hoping that if there was an opportunity to give more people a chance to vote that the board could ratify on 11/22/16.

Bruce stated that MEA would have to have a TA before we discuss ratification.

Bill brought up another concern. If both parties are not able to settle by 1/5/17 then we would have to come back with a lesser proposal than what we have right now. After 1/5/17 the amount of money that we would contribute to health insurance plan without the additional premium would run at \$465,000 month. If not all finished by 1/5/17 we would have to reduce proposal. After 1/5/17 the district wouldn't be able to hold 3/2 and 3/3 plan as well as our longevity. That is a concern of ours because we really want to make sure our teachers receive some increase. So that's where we are. Would you like to talk about that?

Bruce responded No. Why? I didn't hear a proposal.

Bill stated that because of low voter turnout. The district asked the association to exercise the 48 hour window. The district will not be able to accept MEA proposal because of financial conditions.

Bruce stated that your proposal is the previous TA that was not ratified.

Bill restated the issue of low voter turnout compared to the size of the bargaining unit.

Bruce stated that you're expecting a vote of yes on the same proposal. Voting results might be worse based on this (4% increase stated in Health Insurance Q&A sent on behalf of Deputy Supt. Ron Ciranna on 11/7/16).

Bill stated that the response the district received was that 'I wish I would have known.' Some think the communication of 11/7/16 has given them some information.

Bruce stated that more than half don't believe it will work for them.

Bill stated that the bigger issue is if there might be opportunity to revote. Retro pay is at stake. If not, retro pay is no longer a part of our proposal after 11/14/16 so the district can absorb the increase health insurance premium.

Bruce said that it costs \$246,000 for our bargaining unit. \$465,000 is for all employees. The district is not paying premiums; you're doing a budget process. What you do with premiums and retroactivity is within the board's control. The board will decide not the legislature. The legislature has not put you in any problem with the health insurance. There is only so much you can blame on legislature. You're making assumptions that you could not do something else by doing this.

Bill said that unfortunately that's where we are. After 11/14/16 retro will have to be taken from the table. The district cannot afford your proposal.

Bruce clarified that in the MEA health insurance proposal that when you add HI to the cost this was related to the whole district.

Bill asked if the \$1.6M is all for employees? Thanks for clarifying that. Did you calculate for your employees?

Bruce estimated the amount for MEA to be \$971,000.

Bruce asked Bill if he was saying that retroactivity is impacted in some other way besides health insurance?

Bill stated that the district's whole package includes health insurance and salary. If we do not have an agreement we can't do it because we have to contribute money to the health insurance trust fund.

Bruce said that you said that was not until 1/5/17.

Rebecca stated that 1/5/17 would be the last day to ratify before 3/1/17 start. This would allow for backing up and giving time to run files. We tried to find creative ways but have been unsuccessful.

Bill stated that if teachers understand that retro is in jeopardy, if I were a teacher I would want to know that. When they voted last time they did not know that.

Bruce stated that MEA's reps knew that because we told them that. It was communicated to them. Our people know the impact of an impasse because they have been there with the exception of some new people.

Bill stated that we are \$2.6 to \$3.4M apart. Since we cannot increase the amount or even make a counter to that we are essentially at impasse.

Bruce stated that MEA will take a short caucus to discuss.

Recess at 5:43 p.m.

Reconvened at 5:56 p.m.

Bruce stated that MEA discussed timelines and what ifs in terms of ratification, retro, insurance but it appears we're at impasse.

Bill stated that you mentioned we're ok with the language? Bill agreed with Bruce that we are in agreement on the language. The MOUs are not part of this process. Impasse items would be salary, retro, longevity and insurance. What are your thoughts on special magistrate? Or mediation?

Bruce stated that MEA is open to mediation.

Bill stated that the district is not sure it would do us any good from our perspective. How about waiving special magistrate?

Bruce said he was not interested in waiving special magistrate. It is a good opportunity for fact finding and reviewing data in an appropriate way to understand financial condition of district and all aspects of complicated proposals. It is also an opportunity to look at comparability of other places.

Bill stated that we are at impasse. Essentially, if someone asks, we are between \$2.8M to \$3.4M apart based on interpretation of health insurance. We've covered retro. At this point, notify the Public Employee Relations Commission (PERC). Look at special magistrate. We will work together on dates and times. Again, it's unfortunate that we are where we are. Bill stated that he appreciates working with the association. Teachers are working hard. Unfortunately, we're not able to improve position from where we are right now. Bill said he would notify PERC, and then we will get together with MEA.

Bruce asked that the district please not continue to distribute information to employees unless the district is going to explain the \$4.7M to be contributed in 2017. That has never been brought to MEA. If you prefer, I can send it in writing asking for data.

Rebecca stated that the original plan that was proposed to be recommended was a cost of \$32M to the district. When that plan was rejected and we went back to table we told this group we had \$8.5M set aside total. We are continuing to support health insurance.

Bruce said the funding is not 'additional.'

Rebecca stated that you can't say that you don't know that proposal is true. You do know because you have documents.

Bruce said it is not additional dollars.

Rebecca stated that the district will clarify it here.

Bruce stated that the district is continuing to support \$36M rather than \$4.6M. That's what your proposal was.

Rebecca asked, so the district should not tell other employees that we would have been able to provide higher salary increases because that plan was rejected and we had to go back?

Bruce asked where does it say in the 11/7/16 communication that employees would have to provide additional premiums? Does it say that anywhere in here?

Rebecca stated that she will be able to send that out.

Bruce asked where does it say that if I give you a salary dollar you have to pay in health insurance?

Bill acknowledged that we have to provide more in spousal at the HIC meeting on 11/17/15.

Bruce stated that the \$610 board contribution would have been even worse because there would have been more premiums out of employees' pockets. Not everyone is in health plan. Works differently.

Rebecca wants everyone to know that everyone improves by pay raise. What about those people not in plan?

Bruce stated that plenty of people voted no because they will never get that amount of money. Never will be 1:1 correlation for those who don't take insurance. The district gets the benefit for not having to spend part of the district budget on individuals.

Bill stated that maybe in future we can have a set amount for every employee. Sorry we could not reach agreement. At this point we will have conversations about next steps. We will move from here and see where we are.

Meeting adjourned at 6:09 p.m.