

**FINAL OFFERS FOR NEGOTIATIONS BETWEEN THE HARRISBURG COMMUNITY
UNIT SCHOOL DISTRICT #3 AND THE HARRISBURG EDUCATION ASSOCIATION,
IEA/NEA, AFL-CIO**

Since March, 2016, the parties met approximately seven times, including federal mediation, in an attempt to reach agreement over a successor collective bargaining agreement. On Tuesday, November 8, 2016, the parties reached impasse over a financial settlement following their second meeting with a federal mediator.

The Board of Education's position throughout bargaining has been to arrive at a fair settlement that does not jeopardize the financial stability of the school district in the interests of the students, taxpayers and community as a whole. The Board of Education does not want to see the educational process interrupted, and acknowledges the value of having our teachers in the classroom.

The School Board believes it is important to summarize some key components of the school district's financial status so that everyone understands the Board of Education's position.

- Teachers received step movement and a 2% base salary increase for the 2015-2016 school year at a cost of almost \$200,000 to the school district. There were district employees who received no salary increases for the 2015-2016 school year.
- Last spring, Harrisburg Unit #3 was 19th on a list of schools in the State of Illinois that would close the quickest due to a lack of available funds if there were no State of Illinois budget for the 2016-2017 school year.
- Harrisburg Unit # 3 had been on the Illinois State Board of Education Financial Watch list for the last 6 years. ISBE just removed the district from this list in June, 2016.
- Harrisburg Unit # 3 had an Education Fund balance of \$168,723 as of June 30, 2016, which is the end of the fiscal year (Salaries are approximately \$640,000 a month).
- Harrisburg Unit # 3 had a negative Education fund balance of **(-\$671,000)** as of July 31, 2016. This was due to no state funding being received during the month of July.
- Although the State of Illinois has promised it will fund public PreK - 12 grade education at 100% this school year for the first time in approximately nine years, the school district will not know if it will receive all of its state funding until June 30, 2017.
- The most recent 12 month CPI-U (cost of living adjustment) for October, 2016 (published in November, 2016) was 1.6%.
- In August, 2016, the average wage increase nationally for a state and local governmental employee was 1.9%.

BOARD OF EDUCATION'S OFFERS:

The Board of Education has made a one year contract offer, and, alternatively, a three year contract offer, summarized as follows:

- **1 YEAR CONTRACT OFFER:**

Teachers would receive a "step increase." This one year proposal reflects an average salary increase of approximately \$972 for each teacher who is eligible to receive a longevity increase.

The cost to the school district for this one year proposal would be approximately \$84,560.

- **3 YEAR CONTRACT OFFER:**

Year 1 – Step increase.

Year 2 – Step increase + recovery of "frozen" step from 2014-2015 school year. Recovery of the "frozen" step for Year 2 is contingent upon the school district receiving 100% of its general state aid [GSA] allocation for the 2016-2017 school year.

Year 3 – Step increase.

This three year proposal reflects a total average salary increase of approximately \$3,891.44 for teachers eligible to receive a longevity increase.

The cost to the school district for this three year proposal would be approximately \$312,219 uncompounded or \$552,940 compounded.

BOARD OF EDUCATION'S REACTION TO THE HARRISBURG EDUCATION ASSOCIATION'S OFFERS:

The Harrisburg Education Association has also made a one year contract offer, and, alternatively, a three year contract offer as a counter-proposal to the Board of Education's multiple year offer.

- **1 YEAR CONTRACT OFFER:**

Teachers would receive a step increase; recover the lost or "frozen" step increase from the 2014-2015 school year; receive an additional 2% base salary increase; receive a \$1200 per year increase to the school board's health insurance contribution; and receive longevity pay for 11 teachers

impacted by the “salary freeze” from the 2014-2015 school year. The HEA’s one year proposal reflects a total average salary increase of approximately \$3,873 for teachers eligible to receive a longevity increase.

The cost to the school district for the HEA’s one year proposal would be approximately \$479,643.

- **3 YEAR CONTRACT OFFER:**

Year 1 – Teachers would receive a step increase; receive an additional 3% base salary increase; recover the lost or “frozen” step increase from the 2014-2015 school year; and receive an additional \$1200 per year increase to the school board’s health insurance contribution.

Year 2 – Teachers would receive a step increase; receive a 2% base salary increase; and receive an additional \$15 monthly increase to the school board’s health insurance contribution.

Year 3 – Teachers would receive a step increase; receive a 2% base salary increase; and receive an additional \$15 monthly increase to the school board’s health insurance contribution.

The HEA’s three year proposal reflects a total average salary increase of approximately \$7,134.58 for teachers eligible to receive a longevity increase.

The cost to the school district for the HEA’s three year proposal would be approximately \$859,906 uncompounded or \$1,906,419 compounded.

EXPLANATION OF THE BOARD OF EDUCATION’S POSITION CONCERNING THE RECOVERY OF THE LOST OR “FROZEN” STEP FROM THE 2014-2015 SCHOOL TERM

For the 2014-2015 school year, Harrisburg CUSD #3 teachers agreed not to accept either an increase to the base salary or a longevity or step increase, essentially agreeing to a wage “freeze.” Regarding this wage “freeze,” Article 8 – Salary Schedule of the parties’ current collective bargaining agreement provides as follows:

The teachers took a hard freeze (no raise, no step) for the 2014-2015 school year. Teachers will make up the step they lose only if one of the following conditions is met: State aid funding meets 100% of the foundation level prior to the end of the 2020-2021 school year.

The State of Illinois has indicated that it will fund General State Aid at 100% for the 2016-2017 school year. The Illinois State Board of Education has informed the School District that it has been allocated \$ 9,392,111.14, representing full funding at 100% for the school year. The issue with this is that 2016-2017 General State Aid

will be dispersed to school districts through 22 payments between August 10, 2016 and June 20, 2017. The School District will not know if it will receive 100% full funding until it receives its final allocation.

At the end of this message are illustrations of General State Aid allocations from two different funding years. As one can see by the first document, all payments are clearly mapped out for the 2016-2017 school year, and the School District is tracking to meet the allocations provided by the State. However, one can also see that the remaining payments are marked as "scheduled." These payments are supposed to be made on the corresponding dates, which, if they occur, would mean on June 20, 2017 the School District would have met its allocation and be 100% fully GSA funded for the current school year.

Now please consider the second document, which was for the 2014-2015 school year. One can see by this document that the State of Illinois allocated and paid the School District \$393,494.17 for its first two payments, and then \$393,659.51 for its next 16 payments. However, ISBE notified the School District in March, 2015 that the Governor and state legislators had decided to reduce or prorate the last four payments to school districts. One can see that each of these four payments were reduced by \$46,954, or a total reduction of \$187,816 for the 2014-2015 school year.

These examples illustrate why the School District cannot assume it will automatically receive the funds that the Illinois General Assembly has allocated to it. The State of Illinois has a longstanding practice of adjusting and reducing payments to school districts due to the financial difficulty the state is continuing to endure. Consequently, the School District's bargaining position continues to be if its last GSA payment for the 2016-2017 school year causes the District to reach the \$9,392,111.14 GSA allocation threshold, then the School District will reach its 100% fully funded level. Upon reaching 100% fully GSA funding, the Board of Education under the terms of the current collective bargaining agreement will happily provide the teachers the salary schedule step lost due to the wage freeze negotiated for the 2014 - 2015 school year.

The School District hopes this clarifies what constitutes, in its opinion, 100% GSA funding. As long as 100% GSA funding occurs before the end of the 2020-2021 school year, the Board of Education fully intends to implement the terms of the collective bargaining agreement and account for the lost step to HEA members impacted by the past "step freeze."

CONCLUDING REMARKS

Teachers in Harrisburg CUSD #3 are deserving of more pay, as are teachers all over this state and country. Teachers' jobs are one of the most important and noblest professions in the world. Sadly, based upon our current system of funding public education communities can only support salaries that mirror their local tax base. Although teaching salaries in Harrisburg CUSD #3 remain competitive with the

surrounding area, hopefully state and local finances will improve in the very near future to a point where the district can provide the increases our staff request and deserve.

Even though the Board of Education and District Administration believe teachers are deserving of a wage increase for their hard work and their contributions to the success of the school district, the Board of Education cannot agree to a proposal that will place the school district at risk financially. Moreover, the Board of Education cannot agree to any proposal that may cause it to have to further reduce staff or programs or ask the general public to support a referendum as a means to pay for a wage increase. Reducing staff and programs would not be in the best interests of our students educationally. Unfortunately, either proposal offered by the HEA would cause the school district to deficit spend beyond its reserves and anticipated future revenues, thereby requiring the Board of Education to have to reduce staff and programs as a means to pay for these reoccurring wage increases.

The Board of Education remains willing to meet with the HEA to discuss any reasonable means of resolving their collective bargaining negotiations that allows it to remain fiscally responsible to the students and taxpayers of this school district, and will entertain any reasonable offers to achieve this end result.

Submitted by the Board of Education of Harrisburg Community Unit School District No. 3

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ENTITY NAME: HARRISBURG CUSD 3
PROGRAM: General State Aid - Sec. 18-8
PROJECT: 2017 - 3001 - 00 - 20083003026

Payment Schedule Detail

Schedule Date	Amount(Net)	Status	Processed By Comptroller*
08/10/2016	\$417,231.82	Disbursed (08/08/2016)	08/10/2016
08/20/2016	\$427,375.20	Disbursed (08/16/2016)	08/19/2016
09/10/2016	\$427,375.20	Disbursed (09/07/2016)	09/09/2016
09/20/2016	\$427,375.20	Disbursed (09/15/2016)	09/20/2016
10/10/2016	\$427,375.20	Disbursed (10/05/2016)	10/07/2016
10/20/2016	\$427,375.20	Disbursed (10/18/2016)	10/20/2016
11/10/2016	\$427,375.20	Disbursed (11/04/2016)	11/10/2016
11/20/2016	\$427,375.20	Disbursed (11/15/2016)	11/18/2016
12/10/2016	\$427,375.20	Scheduled	
12/20/2016	\$427,375.20	Scheduled	
01/10/2017	\$427,375.20	Scheduled	
01/20/2017	\$427,375.20	Scheduled	
02/10/2017	\$427,375.20	Scheduled	
02/20/2017	\$427,375.20	Scheduled	
03/10/2017	\$427,375.20	Scheduled	
03/20/2017	\$427,375.20	Scheduled	
04/10/2017	\$427,375.20	Scheduled	
04/20/2017	\$427,375.20	Scheduled	
05/10/2017	\$427,375.20	Scheduled	
05/20/2017	\$427,375.20	Scheduled	
06/10/2017	\$427,375.20	Scheduled	
06/20/2017	\$427,375.32	Scheduled	

Schedule Amt: \$9,392,111.14

* Released within the next 2 business days

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ENTITY NAME: HARRISBURG CUSD 3
PROGRAM: General State Aid - Sec. 18-8
PROJECT: 2015 - 3001 - 00 - 20083003026

Payment Schedule Detail

Schedule Date	Amount(Net)	Status	Processed By Comptroller*
08/10/2014	\$393,494.17	Disbursed (08/06/2014)	08/08/2014
08/20/2014	\$393,494.17	Disbursed (08/14/2014)	08/20/2014
09/10/2014	\$393,659.51	Disbursed (09/05/2014)	09/10/2014
09/20/2014	\$393,659.51	Disbursed (09/17/2014)	09/19/2014
10/10/2014	\$393,659.51	Disbursed (10/07/2014)	10/10/2014
10/20/2014	\$393,659.51	Disbursed (10/20/2014)	10/20/2014
11/10/2014	\$393,659.51	Disbursed (11/05/2014)	11/10/2014
11/20/2014	\$393,659.51	Disbursed (11/17/2014)	11/20/2014
12/10/2014	\$393,659.51	Disbursed (12/05/2014)	12/10/2014
12/20/2014	\$393,659.51	Disbursed (12/16/2014)	12/19/2014
01/10/2015	\$393,659.51	Disbursed (01/06/2015)	01/09/2015
01/20/2015	\$393,659.51	Disbursed (01/15/2015)	01/20/2015
02/10/2015	\$393,659.51	Disbursed (02/04/2015)	02/10/2015
02/20/2015	\$393,659.51	Disbursed (02/17/2015)	02/20/2015
03/10/2015	\$393,659.51	Disbursed (03/05/2015)	03/10/2015
03/20/2015	\$393,659.51	Disbursed (03/17/2015)	03/20/2015
04/10/2015	\$393,659.51	Disbursed (04/07/2015)	04/10/2015
04/20/2015	\$393,659.51	Disbursed (04/15/2015)	04/20/2015
05/10/2015	\$346,704.79	Disbursed (05/05/2015)	05/08/2015
05/20/2015	\$346,704.79	Disbursed (05/15/2015)	05/20/2015
06/10/2015	\$346,704.79	Disbursed (06/05/2015)	06/10/2015
06/20/2015	\$346,704.82	Disbursed (06/17/2015)	06/19/2015

Schedule Amt: \$8,472,359.69

* Released within the next 2 business days

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December 9, 2016
CERTIFICATION OF SERVICE
(Certified Mail, Return Receipt Requested)

This is to certify that the Board of Education of Harrisburg CUSD #3 served the attached Public Posting to the following persons in the following manner on the date indicated above.

MAILED CERTIFIED RETURN RECEIPT REQUESTED

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