

LFEA FINAL PROPOSAL 2012-2015

August 17th, 2012

This document highlights changes to the 2011-2012 contract and includes the LFEA's responses to the Board of Education.



Lake Forest High School ranks in the top 1% of all public high schools in the United States.¹ The Teachers of Lake Forest High School continue to dedicate themselves to the service of students at our nationally recognized institution – therefore we share the Board of Education's (BOE) desire for financial stability in order to support our continuing educational mission. To that end, our proposal significantly increases the surplus in the educational and overall school fund balance and ensures the highest quality education for our students. At the same time, this proposal does not increase the district tax formula for the community.

It is worthy to note that in our last contract, the Lake Forest teachers accepted a hard pay freeze (including step and cost of living) and a reduction in benefits (including health care). This contract allowed the district to immediately restore a budget surplus in the educational fund and increase the overall school budget surplus for 2011-2012 year and for the years after. The acceptance of this contract also demonstrates the Lake Forest Education Association's (LFEA) commitment to place the students ahead of its own concerns and to create a feeling of good faith, shared sacrifice, and good will with both the Board of Education and the community.

As one of the premiere high schools in the nation, Lake Forest compares itself with a select group of institutions in northern Illinois. Last year, when we accepted a freeze in salary and decrease in benefits, these comparable districts saw raises of between 2.43% on the low end (Stevenson) and 6.16% on the high end (Deerfield-Highland Park). No comparable school districts made the same sacrifice as Lake Forest teachers did last year. Over the next five years, Lake Forest will see the retirement of more than 25% of our most experienced faculty. It is our belief that all stakeholders in our community are well served when the Lake Forest Schools are able to compete with nearby districts to attract and retain the very best educators. Therefore, the LFEA is asking for a fair and equitable contract that will help maintain the highest standards of education in our school. Our students are worth it.

¹ Newsweek Magazine, **America's Best High Schools 2012**, May 21st, 2012

LFEA INSURANCE PROPOSAL:

ARTICLE XIV - FRINGE BENEFITS

SECTION A - INSURANCE BENEFITS

1. ~~During the term of this Agreement the Board shall assure the continual availability of group health (medical), life, and disability insurance in effect June 30, 2006, except as provided below or except as otherwise required by law or except as the Association shall otherwise approve. The parties agree that the benefits described below are subject to negotiation in successor agreements.~~ During the term of this Agreement, the Board shall make available group health (medical) insurance through the Northern Illinois Health Insurance Program (NIHIP). The Board will also make available Dental Insurance, and will provide life and disability insurance. Details of each are outlined below.

Rationale: This is simply an update of the current insurance benefit that teachers receive.

~~The employee may choose to~~ During the open enrollment period or after a major life change, an employee may choose to participate in one of the following plans: ~~one of the following plans:~~

SINGLE PLAN	BOARD SHARE	EMPLOYEE SHARE
PPO300	90% <u>95%</u>	10% <u>5%</u>
PPO500	90% <u>95%</u>	10% <u>5%</u>
PPO750	No change from prior contract	
PPO2500	No change from prior contract	
HMO	No change from prior contract	

FAMILY PLAN	BOARD SHARE	EMPLOYEE SHARE
PPO300	80% <u>90%</u>	20% <u>10%</u>
PPO500	80% <u>90%</u>	20% <u>10%</u>
PPO750	90% <u>100%</u>	10% <u>0%</u>
PPO2500	No change from prior contract	
HMO	No change from prior contract	

3. The Board will pay the premiums for single or family coverage selected based on the same percentage of the selected health plan as listed in section A.2.b.i. If an employee does not participate in the medical insurance program but elects dental coverage, the Board will pay 100% of the premium.

Rationale: After the unilateral decision to cancel the PPO100 plan, which occurred after the expiration of the 2006-2011 contract and without LFEA approval, many teachers experienced substantially increased costs and decreased services in their health insurance. This change saved over \$60,000 per year for the district but was enacted outside the collective bargaining process. The above proposals allow the district to maintain approximately the same PPO costs for the Board of Education as compared to 2010-2011 school year. Insurance premium costs for HMO will increase 0% in 2013. Since the HMO is the one of the cheapest plans, our offer will encourage members to take the HMO, a cost-saving measure for the District.

LFEA RETIREMENT PROPOSAL:

ARTICLE XIV, SECTION C – RETIREMENT

3. Service Recognition Program (SRP)

Only teachers who retire pursuant to TRS, have at least 10 years of full time continuous District service, and who do not cause the Board to pay an ERO penalty are eligible to participate.

In addition, to be eligible, a teacher must submit notice of retirement and a ~~an irrevocable~~ letter of resignation pursuant to Article XIV, Section C, 3, F to the Superintendent on or before February 1st. ~~This deadline is for any individual planning to retire in FY 12-13, 14, 15, or 16 who has not previously submitted a letter. (For individuals retiring in FY 16, the salary increase defined below will commence with the FY 13 school year). A teacher must submit his/her letter of retirement the year of or up to five years prior to the final year of employment. For example, a teacher would submit the notice of retirement on February 1st, 2013, to retire any year from 2013 to 2017 in June 2015 or June 2016. If a teacher submits a notice of retirement, that teacher shall receive the benefits of the Post Retirement Service Recognition Plan indicated in this contract. A teacher submitting five years out does not receive the benefits of the Post Retirement Service Recognition Plan until the second year. That teacher would, however, receive his/her regular salary in the first year of giving notice.~~

Rationale: The irrevocable letter is addressed in the rationale below. The rest of the changes reflect current practice. They are an attempt to clarify the language so that they are applicable to the 2012-2015 contract.

- a. No change
- b. No change
- c. No change
- d. No change
- e. No change
- f. Withdrawal of Notice of Intent to Retire

The teacher's request for the approval of a retirement incentive shall be deemed to constitute his/her resignation from employment, effective on said date, once the request is

approved by the Board. This resignation shall be deemed irrevocable unless one of the following conditions occur:

1. diagnosis of a serious or terminal illness of the teacher's immediate family or domestic partner;
2. total disability of the teacher's immediate family or domestic partner;
3. the death of a member of the teacher's immediate family or domestic partner;
4. the teacher's divorce from his/her spouse or domestic partner; or
5. other reasons deemed appropriate by the Board.

In any of the above circumstances, the teacher may tender a written request for the withdrawal of his/her notice of retirement and letter of resignation. As a condition of the Board's consideration of the request, the teacher will agree to a wage reduction that will repay the Board any retirement incentives paid to the teacher to date. Repayment by wage deduction shall be completed within 180 days of the Board's approval of the withdrawal. If any of the above conditions are met, the Board shall approve the request to withdraw the resignation. This language shall not apply to any teacher who gave notice of his/her intent to retire on or before December 1st 2009.

Rationale: Special consideration should be provided to teachers who have put in for retirement but due to extenuating circumstances need to continue working. This is of no financial burden to the district. In fact, by providing some protections, additional members will be encouraged to retire, thereby reducing overall staff costs.

4. Post Retirement Service Recognition Plan

Teachers who retire pursuant to TRS, have at least 10 years of full time continuous District service, who do not cause the Board to pay an ERO penalty, and who give written notice of retirement and a ~~an irrevocable~~ letter of resignation to the Superintendent on or before February 1st are eligible to participate in the District's Post-Retirement Service Recognition Plan. Teachers who meet the foregoing eligibility requirements shall receive a post-retirement service recognition payment based on the following:

Number of Years of Notice	Service Recognition Award
1 Year*	\$34,000 <u>.68 of base</u>
2 Years	\$30,000 <u>.60 of base</u>
3 Years	\$23,000 <u>.46 of base</u>
4 Years +	\$12,000 <u>.24 of base</u>

*Year of notice is 1st year.

The applicable service recognition payment shall be paid within sixty (60) days after the effective date of the teacher's retirement.

Notwithstanding the foregoing schedule based on the number of years notice, a teacher who gives such notice may nevertheless opt to retire in an earlier school year by giving written notice by February 1st of the school year which s/he will retire and receive the applicable service recognition payment for the actual number of year(s) notice as long as such earlier retirement notice date does not cause the Board to pay an ERO penalty. Example: If a teacher gives written notice by February 1, 2012 to retire at the end of the 2014-15 school year and subsequently gives written notice by February 1, 2014 to retire at the end of the 2013-14 school year, said teacher will receive a service recognition payment of ~~\$23,000~~ .46 of the base in the year of retirement as long as such earlier retirement date does not cause the Board to pay an ERO penalty.

In no event will a teacher receive a service recognition payment if the teacher's actual retirement date causes the Board to pay an ERO penalty.

Rationale: This is simply an update of the current retirement benefits that teachers receive. Dollar amounts have been converted to percentages of the base salary.

LFEA NATIONAL BOARD PROPOSAL:

National Board Certified Teacher Compensation

Any teacher who meets the following eligibility requirements shall be paid an annual stipend of .09778 of the base salary (BA Step 1):

1. Holds certification with the National Board for Professional Teaching Standards.
2. Holds tenure in District 115.
3. Holds a master's degree or higher.

Rationale: Teachers who have earned National Board Certification have demonstrated a mastery of teaching on a national scale. This stipend is designed to reward those who have gone through the process and to encourage others to earn this distinguished honor for Lake Forest High School.

LFEA SALARY PROPOSAL:

APPENDIX A – SALARY SCHEDULE

Proposed salary increase for the following school years:

2012-2013 : 2.5 percent on the base salary schedule

2013-2014: 3.25 percent on the base salary schedule plus one-time interest payments to be divided out equally among all bargaining unit members in District 115. The district will keep the first \$10,000.¹

2014-2015: Percentage on the base salary equal to the CPI* plus one-time interest payments to be divided out equally among all bargaining unit members in District 115. The district will keep the first \$10,000.²

*The CPI will be based on PTELL established on 12/31/13 but in no event shall the increase be less than 2% or more than 4%.

Teachers will advance step each year of the contract.

A teacher who has been at Step 21 of the MA or higher lane of the salary schedule shall receive longevity pay based on the following schedule:

Step 21 = ~~\$250-950~~

Step 22 = ~~\$500-1200~~

Step 23 = ~~\$750-1500~~

Step 24 and beyond = ~~\$1000-2000~~

Comparable District 113 (Deerfield and Highland Park): Longevity Pay

2012-2013

Step 21 - \$3000

Step 22 - \$4000

Step 23 - \$4500

Step 24 - \$5000

2013-2014

Step 21 - \$3000

Step 22 - \$4500

Step 23 - \$5000

Step 24 - \$5500

² The two interest payments identified in 2013-2015 were suggestions from the Board's side.

LFEA SALARY PROPOSAL CONTINUED:

Rationale: Last year, in the spirit of shared sacrifice, the faculty agreed to a one year (2011-2012) hard freeze in pay creating an estimated \$740,000 end-of-year surplus in the Educational Fund and a projected \$6.3 million dollar surplus in the overall school budget. To create this surplus for our institution, teachers assumed substantial added health care costs while additionally facing a significant increase in cost of living due to inflation. In comparable districts, teachers received raises between 2.43% and 6.16% in this same year.³ According to the ISBE 2011-2012, Lake Forest High School is ranked 18th in the state in base salary (for first year teachers with a Bachelor's Degree⁴), and is ranked 20th for first year teachers with a Master's Degree⁵. Despite the BOE's claim that its offer is a 3.6% pay increase for teachers, in real numbers (considering inflation and the membership's increased share of health care costs), the proposed increase in 2012-2013 is 0% for most teachers and an additional pay cut for the rest. In contrast, the modest increases proposed by the LFEA constitute a total increase of 1% in the total school budget. At no time do teacher's salaries account for more than 1/3rd of the total school budget and in fact, will approach only 1/4th of the total school budget, including our proposed salary increase, by the end of this contract. This percentage is less than any other comparable district. This proposal will create an estimated surplus of \$1.5 million in the educational fund for 2012-2013, continued growth in 2013-2014, and a \$5 million surplus in the educational fund by the end of the contract.⁶ The estimated overall school budget surplus will increase from \$6.4 million to \$23.3 million by the end of the contract, creating a prudent reserve, for the future of the district. This contract achieves a long term economic stability for the institution while maintaining the present district tax formula for the community. The LFEA remains committed to the economic health of the district and the continued success of the student population.⁷

³ See Comparable Districts: Settled Contracts Table on page 12

⁴ See Illinois State Board of Education District Salary Ranking – BA on page 11

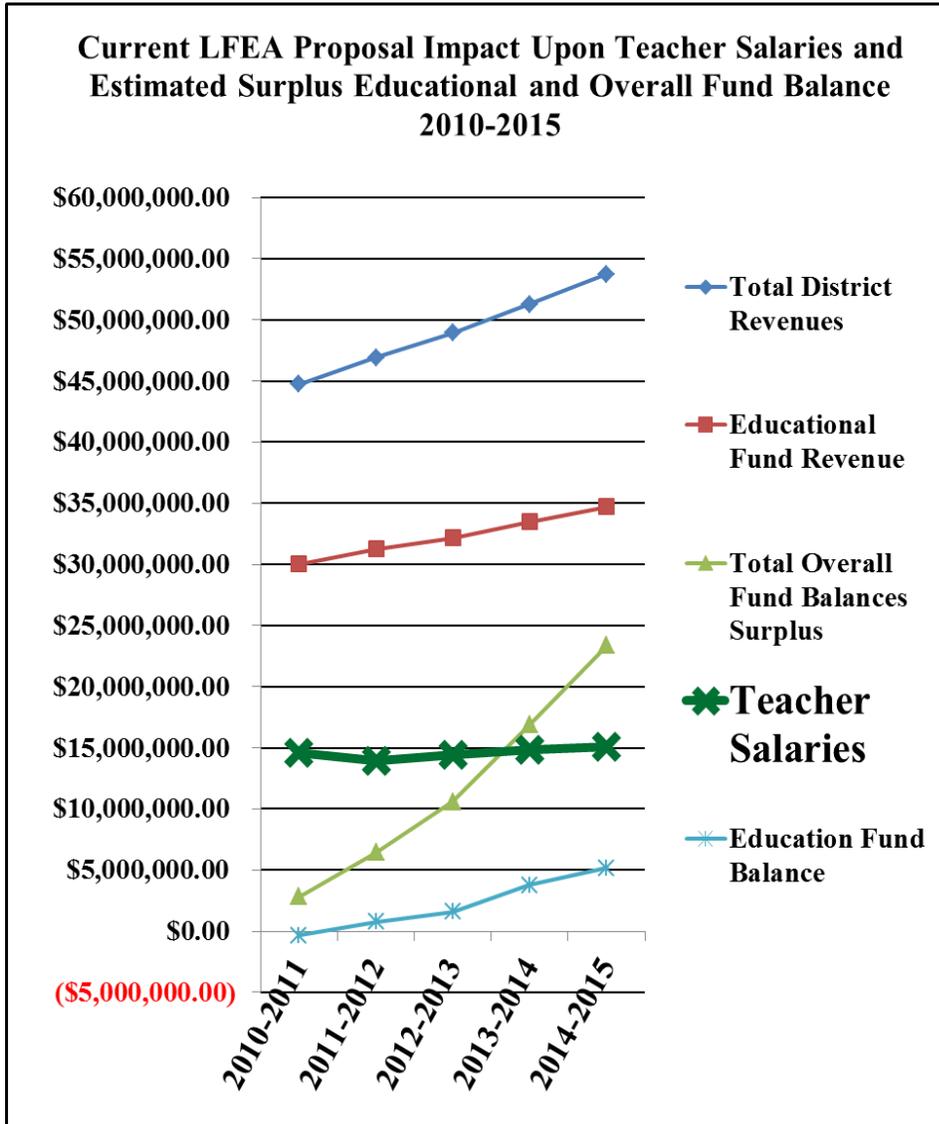
⁵ See Illinois State Board of Education District Salary Ranking – MA on page 11

⁶ See Current LFEA Proposal Impact Upon Teacher Salaries and Estimated Surplus Educational and Overall Fund Balances 2010-2015 on page 10

⁷ All statistics have been prepared by our economic advisor, Larry Frank, PH.D in Educational Research and Statistics

Current LFEA Proposal Impact Upon Teacher Salaries and Estimated Surplus Educational and Overall Fund Balances 2010-2015

Years	Educational Fund Revenue	Educational Fund Balance	Teacher Salaries	Total District Revenues	Total Overall Fund Balances Surplus
2010-2011	\$30,028,127.00	(\$330,895.00)	\$14,576,191.00	\$44,749,074.00	\$2,833,561.00
2011-2012	\$31,259,808.22	\$740,808.59	\$13,901,423.00	\$46,913,168.78	\$6,417,129.03
2012-2013	\$32,151,072.02	\$1,584,960.36	\$14,431,622.00	\$48,907,761.74	\$10,590,515.85
2013-2014	\$33,468,869.21	\$ 3,746,909.32	\$14,827,300.00	\$51,256,569.12	\$16,874,583.73
2014-2015	\$34,714,187.55	\$5,152,846.74	\$15,075,245.00	\$53,722,816.88	\$23,369,593.65



All district revenue projections and fund balance surpluses are based upon data provided in annual final reports and budget projections provided by District 115.

The Educational Fund is a portion of the Total District Revenues.

Overall Fund Balances include the Educational Fund, Operations and Maintenance Fund, Transportation Fund, Debt Payment, and Working Cash.

Estimated overall 3.4% increase in combined Teacher Salaries between 2010 and 2015.

Estimated Education Fund increases from a negative \$330,895 to more than a \$5,000,000 surplus. (2012-2015)

Illinois State Board of Education District Salary Ranking – BA*

<u>Starting Bachelors Rank</u>	<u>District</u>	<u>City</u>	<u>County</u>	<u>Beginning Base Salary Bachelor's Degree</u>
1	Reavis Twp HSD 220	Burbank	Cook	\$55,091
2	Oak Park - River Forest SD 200	Oak Park	Cook	\$54,925
3	Argo CHSD 217	Summit	Cook	\$54,081
4	Maine Township HSD 207	Park Ridge	Cook	\$53,779
5	Riverside-Brookfield Twp SD 208	Riverside	Cook	\$53,008
6	Niles Twp CHSD 219	Skokie	Cook	\$52,904
7	Northfield Twp HSD 225	Northbrook	Cook	\$52,723
8	Lyons Twp HSD 204	La Grange	Cook	\$52,429
9	Golf ESD 67	Morton Grove	Cook	\$52,360
10	Evanston Twp HSD 202	Evanston	Cook	\$52,101
11	New Trier Twp HSD 203	Winnetka	Cook	\$51,840
12	Hinsdale Twp HSD 86	Hinsdale	DuPage	\$51,743
13	Fenton CHSD 100	Bensenville	DuPage	\$51,514
14	Oak Lawn CHSD 229	Oak Lawn	Cook	\$51,314
15	Adlai E Stevenson HSD 125	Lincolnshire	Lake	\$50,789
16	City of Chicago SD 299	Chicago	Cook	\$50,577
17	Twp HSD 113	Highland Park	Lake	\$50,498
18	Lake Forest CHSD 115	Lake Forest	Lake	\$50,116
19	Township HSD 214	Wheeling	Cook	\$50,100
20	Glenbard Twp HSD 87	Carol Stream	DuPage	\$49,694

Illinois State Board of Education District Salary Ranking – MA*

<u>Starting Masters Rank</u>	<u>District</u>	<u>City</u>	<u>County</u>	<u>Beginning Base Salary Master's Degree</u>
1	Niles Twp CHSD 219	Skokie	Cook	\$65,479
2	Roselle SD 12	Roselle	DuPage	\$62,883
3	Golf ESD 67	Morton Grove	Cook	\$61,656
4	Reavis Twp HSD 220	Burbank	Cook	\$60,538
5	Morton Grove SD 70	Morton Grove	Cook	\$59,806
6	Northfield Twp HSD 225	Northbrook	Cook	\$58,806
7	Hinsdale Twp HSD 86	Hinsdale	DuPage	\$58,377
8	Oak Park - River Forest SD 200	Oak Park	Cook	\$58,220
9	Maine Township HSD 207	Park Ridge	Cook	\$57,898
10	Argo CHSD 217	Summit	Cook	\$57,739
11	Niles ESD 71	Niles	Cook	\$57,546
12	Evanston Twp HSD 202	Evanston	Cook	\$57,234
13	Riverside-Brookfield Twp SD 208	Riverside	Cook	\$57,162
14	New Trier Twp HSD 203	Winnetka	Cook	\$57,024
15	Adlai E Stevenson HSD 125	Lincolnshire	Lake	\$56,884
16	Fenton CHSD 100	Bensenville	DuPage	\$56,665
17	Leyden CHSD 212	Franklin Park	Cook	\$56,642
18	Lyons Twp HSD 204	La Grange	Cook	\$56,623
19	Lincolnwood SD 74	Lincolnwood	Cook	\$56,600
20	Lake Forest CHSD 115	Lake Forest	Lake	\$56,007
30	City of Chicago SD 299	Chicago	Cook	\$54,080

*As reported in the Chicago Sun Times, August 7th 2012.

Website - <http://www.suntimes.com/data/14288435-666/illinois-teacher-salaries-how-school-districts-compare.html>

Comparable Districts: Settled Contracts

District 203 (New Trier)

- 2011-2012: approx: 4.32% total increase
- 2012-2013: approx: 4.52% total increase

District 125 (Stevenson)

- 2011-2012: approx: 2.43% total increase
- 2012-2013: approx: 4.53% total increase

District 214 (Buffalo Grove, etc.)

- 2010-2011: approx: 6.13% total increase
- 2011-2012: approx: 4.93% total increase

District 219 (Niles)

- 2010-2011: approx: 5.93% total increase
- 2011-2012: approx: 6.13% total increase

District 113 (Deerfield-Highland Park)

- 2010-2011: approx: 4.46% total increase
- 2011-2012: approx: 6.16% total increase
- 2012-2013: approx: 3.46% total increase
- Match new teachers \$2000 per year in 403B retirement plan
- 2013-2014: approx: 4.31% total increase
- Continue to match new teachers \$2000 per year in 403B retirement plan

District 211 (Fremd, etc.)

- 2010-2011: approx: 6.29% total increase
- 2011-2012: approx: 5.09% total increase

District 225 (Glenbrooks)

- 2010-2011: approx: 4.70% total increase
- 2011-2012: approx: 6.00% total increase
- 2012-2013: approx: 5.40% total increase

District 115 (Lake Forest High School)

- 2011-2012: 0% total increase and insurance reduction
- There is no district matching for teachers in the 403B retirement plan