

# Most Recent Contract Settlement Offer and Cost Summary

*for Public Posting from the*

**Waukegan Teachers Council, Lake County Federation of Teachers, Local 504, IFT-AFT/AFL-CIO**

## **Summary:**

It is no secret that Waukegan School District 60 has faced financial troubles in the past. In fact, the District ended Fiscal Year 2009 with an Operating Fund *deficit* of over \$2.8 million. However, due in large part to the sacrifices the teachers made in a salary freeze and significant ongoing concessions, the District ended Fiscal Year 2012 with a *surplus* of over \$33 million. In addition, even when the State pro-rated the District's General State Aid to an 89% proration, the District received 10.7% more in General State Aid than it did last year. And while the District must be fiscally responsible with the money it has in reserves, the Union is asking the District to recognize the dedication of its teachers and offer a *fair* contract that allows them to maintain single insurance and allows step and lane movement. In addition, the Union has even offered to share in the increased cost of dependent care premiums when the teachers *already* pay the lion's share of that cost (see the column labeled Total Employee Cost vs. the column labeled Total District Cost in the chart under the Union's proposal). In stark contrast, the District's proposal does not recognize step and lane movement for teachers, it asks them to pay toward single health care coverage, and it asks them to pay even more than they already are toward dependent care premiums, while diminishing the amount that the District will contribute toward those same premiums.

The District already faces an overwhelming turn-over rate for teachers, and with the District's proposal, the inability to attract and retain quality teachers would increase exponentially. Our students deserve a quality education, and that begins with quality teachers.

The Union and District have been bargaining since the spring of 2013 in an attempt to reach an Agreement for the current (2013-2014) school year. Each time the parties present counter proposals, the Union continues to make movement, but the District has drawn a line in the sand; it refuses to offer a *fair* proposal that recognizes the education and service of its teachers and the need for maintaining affordable health care. The District continues to re-propose with the same bottom line; merely re-packaging a deal that would bring significant harm to individual members. We cannot accept that for our teachers because *we know all too well the repercussions for our District, our community, and most importantly, our students.*

The Union stands ready to continue to negotiate in good-faith and encourages the District to return to the table with a willingness to make movement toward a fair settlement.

## 01/29/14 Union Response to District Financial and Insurance Proposal

The Union does not feel that the District has honored the spirit of the salary re-opener because the District has made insurance a primary focus of discussion. The re-opener language specifically states that “the parties agree that Health Care is not the primary focus of discussion, although the parties may entertain discussion on this subject based upon legislative changes and economic conditions.” While the District saw an increase in its ending fund balance (“School District Financial Profile”) from FY2009 of a \$2,888,366 *deficit* to a \$33,263,951 *surplus* in FY2012, the District, in its proposal, still seeks to *take away* money that it has been contributing to dependent health care coverage for many years. The Union is sympathetic to rising health care costs, and consequently proposes a cost-sharing as indicated below.

### Financial Proposal

For the 2013-2014 school year, the Union proposes an increase of step + 2.25% for those on schedule and 5% for those in longevity. Teachers who are due to make lane movement during the 2013-2014 school year would be granted their lane movement. Those teachers due to move into longevity (from step 20 to L21) would move into longevity. This financial proposal is retroactive to July 1, 2013.

### Insurance Proposal

The Union proposes that we retain current single insurance benefits and current dependent care benefits (ex. PPO Full Family \$3,718.32) but would be willing to share in the increase in the cost of the dependent care with the district paying 50% of the increase and the employee paying 50% of the increase per year (ex. PPO Full Family—increase in cost of dependent portion of the plan is \$1,134, so the district would pay \$567 and the employee would pay \$567). See chart below for each of the plans. Language would be modified as follows:

### **3. Health and Hospital Insurance**

- a. The Board agrees to pay the single premium for health; hospitalization and major medical for all regularly employed Teachers. The Board agrees to pay the amounts listed in the dependent care contribution chart ~~two hundred dollars (\$200)~~ toward family coverage for those regularly employed Teachers enrolled in the Board’s group plan. Employees with ten (10) or more years of service in the Waukegan Public Schools and who retire, may at their own option and upon payment of the appropriate premium, continue to be covered under the Group Hospitalization and Medical Insurance Plan until such time as they become eligible for Medicare.

Dependent Care Contribution Chart:

Insurance Plan	2013 Cost of Dependent Care	District 2013 Contribution	2014 Cost of Dependent Care	District 2014 Contribution	Dollar Amount Increase	District Pays (of increase)	Employee Pays (of increase)	Total Employee Cost	Total District Cost
PPO Full Family	\$13,977.84	\$3,718.32	\$15,111.84	\$3,718.32	\$1,134.00	\$567.00	\$567.00	\$10,826.52	\$4,285.32
PPO Spouse	\$7,174.56	\$200.00	\$7,751.40	\$200.00	\$576.84	\$288.42	\$288.42	\$7,262.98	\$488.42
PPO Child	\$6,608.16	\$1,150.32	\$7,137.72	\$1,150.32	\$529.56	\$264.78	\$264.78	\$5,722.62	\$1,415.10
HMO Full Family	\$11,965.56	\$3,279.72	\$12,855.24	\$3,279.72	\$889.68	\$444.84	\$444.84	\$9,130.68	\$3,724.56
HMO Spouse	\$6,358.44	\$2,382.36	\$6,831.24	\$2,382.36	\$472.80	\$236.40	\$236.40	\$4,212.48	\$2,618.76
HMO Child	\$5,619.96	\$1,080.60	\$6,037.68	\$1,080.60	\$417.72	\$208.86	\$208.86	\$4,748.22	\$1,289.46
Blue Adv. Full Family	\$11,127.12	\$2,954.16	\$11,954.52	\$2,954.16	\$827.40	\$413.70	\$413.70	\$8,586.66	\$3,367.86
Blue Adv. Spouse	\$6,358.44	\$2,625.00	\$6,831.24	\$2,625.00	\$472.80	\$236.40	\$236.40	\$3,969.84	\$2,861.40
Blue Adv. Child	\$5,225.64	\$975.72	\$5,614.32	\$975.72	\$388.68	\$194.34	\$194.34	\$4,444.26	\$1,170.06
HDP Full Family	\$10,525.20	\$200.00	\$11,379.12	\$200.00	\$853.92	\$426.96	\$426.96	\$10,752.16	\$626.96
HDP Spouse	\$5,402.40	\$202.32	\$5,836.68	\$202.32	\$434.28	\$217.14	\$217.14	\$5,417.22	\$419.46
HDP Child	\$4,975.92	\$200.00	\$5,374.56	\$200.00	\$398.64	\$199.32	\$199.32	\$4,975.24	\$399.32

The Union, in response to the District’s concern regarding the Affordable Care Act (ACA), provides the following counter of language we would be willing to include regarding potential ACA penalties:

If, during the remaining term of the 2013-2014 Collective Bargaining Agreement, the Board’s payment of the insurance premium for members of the Waukegan Teachers Council would cause the Board to incur a penalty under the new provisions of the Affordable Care Act (ACA), the Board and the Union agree to bargain over the penalty to find a mutually agreeable manner in which to avoid said penalty.

**Cost Summary:***Financial Proposal*

	# of		
Lane	Teachers		Amount
BA	226		\$9,707,170
BA15	155		\$7,763,551
MA	391		\$22,560,043
MA15	114		\$7,326,740
MA30	131		\$8,442,984
MA45	65		\$5,092,081
MA60	94		\$7,586,456
PHD	14		\$917,054
<b>TOTALS</b>	1190		\$69,396,080

2012-13	\$65,760,712
2013-14	\$69,396,080
Dollar Cost	\$3,635,368
% Cost	5.53%

Note: The District has always estimated annual lane movement cost at the high-end as approximately ½%

*Insurance Proposal*

Insurance Plan	District Pays (of increase)	# of Employees on Plan	Total \$ Cost to District
PPO Full Family	\$567.00	25	\$ 14,175.00
PPO Spouse	\$288.42	24	\$ 6,922.08
PPO Child	\$264.78	43	\$ 11,385.54
HMO Full Family	\$444.84	24	\$ 10,676.16
HMO Spouse	\$236.40	23	\$ 5,437.20
HMO Child	\$208.86	41	\$ 8,563.26
Blue Adv. Full Family	\$413.70	4	\$ 1,654.80
Blue Adv. Spouse	\$236.40	0	\$ -
Blue Adv. Child	\$194.34	2	\$ 388.68
HDP Full Family	\$426.96	3	\$ 1,280.88
HDP Spouse	\$217.14	0	\$ -
HDP Child	\$199.32	1	\$ 199.32
		<b>Total Cost</b>	<b>\$ 60,682.92</b>

Note: The Union is also asking to maintain District coverage of single health care premiums.