



West Chicago Elementary District #33

Board of Education's

Cost Summary of

Final Offer to the

Elementary Teacher's Association

of West Chicago (ETAWC)

December 10, 2012

Pursuant to State law, following a declaration of impasse, the parties are to submit their final offer and cost summary to each other, the mediator, and the Illinois Educational Labor Relations Board.

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General Background Information

Background on the Negotiating Process

On September 29, 2011 the Board and the Union's negotiating team held their first contract negotiations meeting. Both teams agreed on a timeline which had the objective of ratifying and adopting a contract by June, 2012.

On September 17, 2012 after sixteen (16) joint negotiating meetings, the Board requested the help of a federal mediator when discussions on salary were stalled.

After more than two months and six (6) meetings with the federal mediator, the Board declared impasse on December 3, 2012 when it was clear the two sides would not come to an agreement on salary and healthcare costs.

The Board remains open to talking with the teacher's Union to resolve impasse.

Financial Condition of the District

Our district, like many others in DuPage County and throughout Illinois, is facing major financial difficulties. We expect these difficulties to continue into the coming years. We have already cut back essential programs and we are facing more difficult decisions this year. As the State of Illinois grapples with its financial problems, districts are receiving less state funding and are being forced to rely more and more upon local property tax revenues:

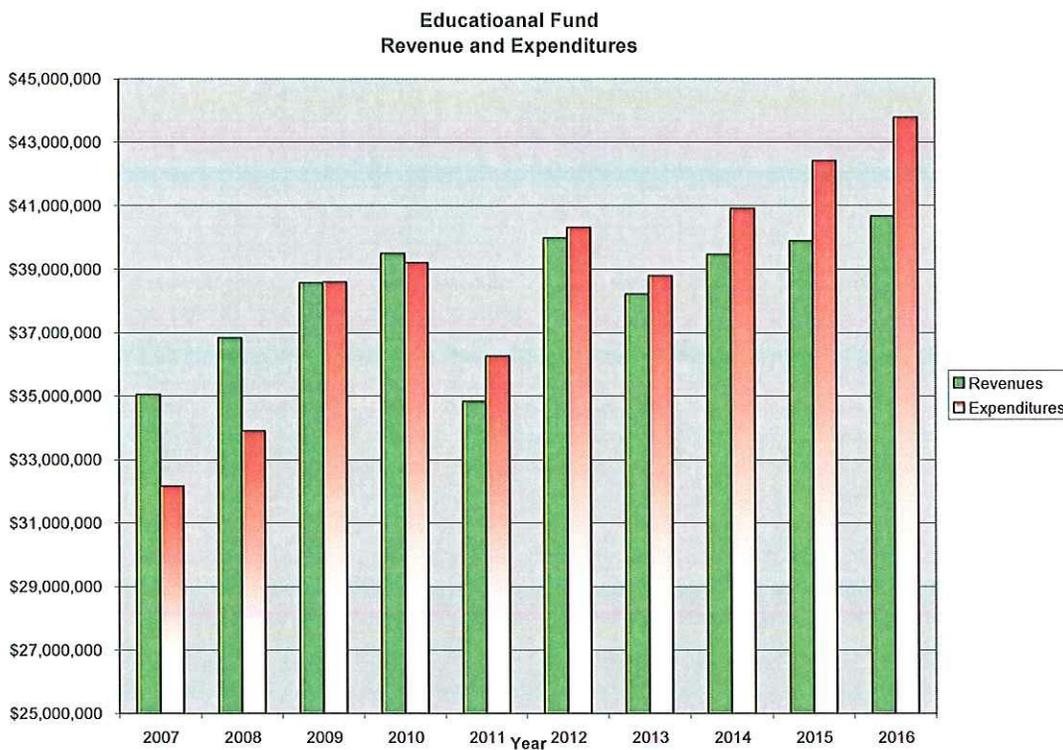
- State Funding for many Grants and Special Programs is being reduced or eliminated.
- The State continues to fall behind in scheduled payments and has begun to omit several payments. Cash Flow is tight and uncertain.
- State Reimbursements for Transportation have been reduced from 80% in the past to 20% this year.
- General State Aid payments are being pro-rated.
- Poverty Grants are very likely to be reduced next year. Poverty Grants were critical in helping us balance our budget in the last two years.
- Districts will in all likelihood be responsible for additional pension obligations beginning in 2013.

The State's financial situation is very serious, and, since education is a large part of state expenditures, there is no practical way for the State to deal with its financial problems without impacting schools. Consequently, local school districts are being forced to pick up more of the costs of education. Unfortunately,

- District 33 is among the poorest of elementary districts in DuPage county¹, and consequently;
- We already have one of the highest property tax rates in the county for education.

Our financial history and projections show we are now incurring unsustainable financial deficits and will be in serious economic difficulty unless we do more to modify our spending. The chart below shows our actual revenues and spending for 2007 through 2012 and our projections for 2013 through 2016.

We had positive operating budgets in 2007 and 2008. These surpluses disappeared in 2009 and 2010. Beginning in 2011² we began incurring annual deficits. Our deficits are projected to grow through 2016.



- For the past 2 years we have had deficit budgets.
- This year’s budget, approved in September, projects a deficit of \$519,000 in the Educational Fund and \$1,388,000 in combined Operating Funds.
- Our annual deficits, given the current spending patterns, will soon exceed \$3,000,000 annually. By this time extreme cuts will have to be made.

Salaries and benefits comprise approximately 85% of the Educational Fund. So they are the critical factor. However, over the past 3 years, we have taken many aggressive cost containment initiatives. These include:

¹ Measured by property wealth (EAV) per student.

² Our 2011 Budget was smaller because we cancelled a large portion of preschool in an effort to save money.

- Renegotiated the Superintendent's contract with a reduced salary in 2011 and again in 2012.
- Eliminated Assistant Principals.
- Reduced District Health Insurance Contributions for Administrators from 80% to 70%.
- Implemented Unpaid Furlough Days for Administrators and Support Staff.
- Reduced Department Budgets.
- Reduced and Delayed Facility Expenditures.
- Reduced Overtime expenses for the custodial staff.
- Reduced 18.5 positions for Instructional Support Staff.
- Deferred non-essential facility projects.
- Delayed text book purchases.
- Eliminated the Energy Manager Stipend.
- Reduced part time staff (social worker, psychologist).
- Eliminated substitute floater positions.

Although we seek to identify programs and expenses which have the least impact on student achievement, obviously there are consequences associated with these cutbacks:

- Average Class size has increased.
- Teachers for the Gifted and Talented Educational Program were reduced by 50%
- Learning Centers (Libraries) now have two certified teachers district wide. We used to have a certified teacher in each building. Classroom teachers must supervise students and library usage has declined.
- Fewer instructional aides and support services.
- Fewer Reading teachers and aides.
- Lead Teacher for Instructional Technology left vacant.

We have already successfully teamed with the custodians, non-certified staff, and administration to realize additional savings. The teacher's Union needs to participate as well.

Cost Summary of Proposals with Financial Impact

Healthcare

Board Healthcare Proposal

The district currently pays 80% of the monthly premiums of healthcare costs for employees and their families, and 100% of dental care. The annual cost to the district is \$2,932,225. The Board is proposing to pay up to 80% of combined health and dental insurance premiums and to limit the district healthcare expenses as follows:

Contract Year	Board Limit Per Employee
2011-2012	No limit
2012-2013	\$12,500
2013-2014	\$12,875
2014-2015	\$13,261

The district currently offers 4 different health insurance plans. The costs of these plans and the impact of the Board’s proposal are shown in the chart below:

Costs of Current Medical And Dental Coverage								
Policy	Medical			Dental		Medical plus Dental		Annual Increase to Individual Cost with Board Proposal
	Annual Individual Employee Cost	Annual Board Cost Per Employee	Total Cost Per Employee	Annual Individual Employee Cost	Annual Board Cost Per Employee	Annual Individual Employee Cost	Annual Board Cost Per Employee	
PPO - Family	\$3,729	\$14,916	\$18,646	\$0	\$865	\$3,729	\$15,782	\$3,282
HMO IL - Family	\$3,321	\$13,284	\$16,605	\$0	\$865	\$3,321	\$14,149	\$1,649
HMO BA - Family	\$2,989	\$11,955	\$14,944	\$0	\$865	\$2,989	\$12,821	\$321
HSA - Family	\$2,907	\$11,629	\$14,536	\$0	\$865	\$2,907	\$12,494	\$0
PPO - Single	\$1,654	\$6,615	\$8,268	\$0	\$457	\$1,654	\$7,071	\$0
HMOIL - Single	\$1,316	\$5,264	\$6,580	\$0	\$457	\$1,316	\$5,721	\$0
HSA - Single	\$1,289	\$5,157	\$6,446	\$0	\$457	\$1,289	\$5,613	\$0
HMO BA - Single	\$1,185	\$4,740	\$5,925	\$0	\$457	\$1,185	\$5,196	\$0
Dental Only - Family				\$0	\$865	\$0	\$865	\$0
Dental Only - Single				\$0	\$457	\$0	\$457	\$0

Rationale for Board Healthcare Proposal

Like many other businesses and government organizations, the district is struggling to keep up with healthcare costs. The parameters (such as co-pays for office visits and prescriptions, deductible amounts, etc.) of the most expensive healthcare policy are specified in the teacher’s contract. This means that the Board has no ability to control healthcare costs by implementing policy changes or changing carriers. Over the past 3 years, our efforts to reduce healthcare costs through the district’s insurance committee have failed. There are ways to reduce healthcare costs, but we have been unable to agree on these changes with the Union. We have proposed to cap the district’s contribution to our healthcare payments at \$12,500 per employee. This will still provide 80% of coverage for some plans, but the more expensive plans will cost the employees more.

Employees who want to retain the most comprehensive, most expensive healthcare plans can do so, but they must bear the increased cost of these plans. Employees who prefer to reduce personal healthcare expenditures can participate in a less expensive option.

As healthcare costs escalate, the Board cannot afford the unlimited liability associated with contractually specified, benefit-rich healthcare plans.

Board Healthcare Cost Summary

The Board's proposed benefit costs and annual increases are as follows:

Contract Year	Benefit Costs	Annual Increase
2011-2012	\$2,932,225	
2012-2013	\$2,485,973	-\$446,253
2013-2014	\$2,603,342	\$117,369
2014-2015	\$2,726,686	\$123,344

Salary Schedule

Board Salary Schedule Proposal

The current salary schedule has 12 steps with automatic annual increases of approximately 4.5%. The Board proposes increasing the number of steps to 23 with automatic increases of approximately 2.25%. In addition, the Board proposes increasing the base salary by 0.75% in each of the 3 years of the contract.

For teachers whose placement on the salary schedule exceeds the final step, the Board proposes they be removed from the salary schedule and that they receive a 2.0% increase in year 1 of the contract and a 1.0% increase in years 2 and 3.

The current salary schedule also provides lane movements upon completion of graduate-level course work. Increases for lane movements vary from 2.71% to 8.07%. These increases are applied on top of the step increases and on top of any increase in the base pay scale. The Board proposes to limit lane movement to one lane per year, except under special circumstances. Lane movements for off schedule employees would increase one's salary by \$2100.

These changes are summarized in the chart below:

Comparison of Current Salary Schedule with Board Proposal		
	Current Salary Schedule	Proposed Salary Schedule
Base Raises	Current Base Salaries Range from: \$38,471 in lane 1 \$52,178 in lane 10	Increase Base Salaries: 2012-2013 0.75% 2013-2014 0.75% 2014-2015 0.75%
Automatic Step Increases	12 Steps of 4.5% increases	23 steps of 2.25% increases
Lane Movement	Unlimited	1 Lane per year
Employees beyond last step	Base Raises only	Longevity Increase: 2012-2013 2.0% 2013-2014 1.0% 2014-2015 1.0%

Rationale for Board Salary Proposal

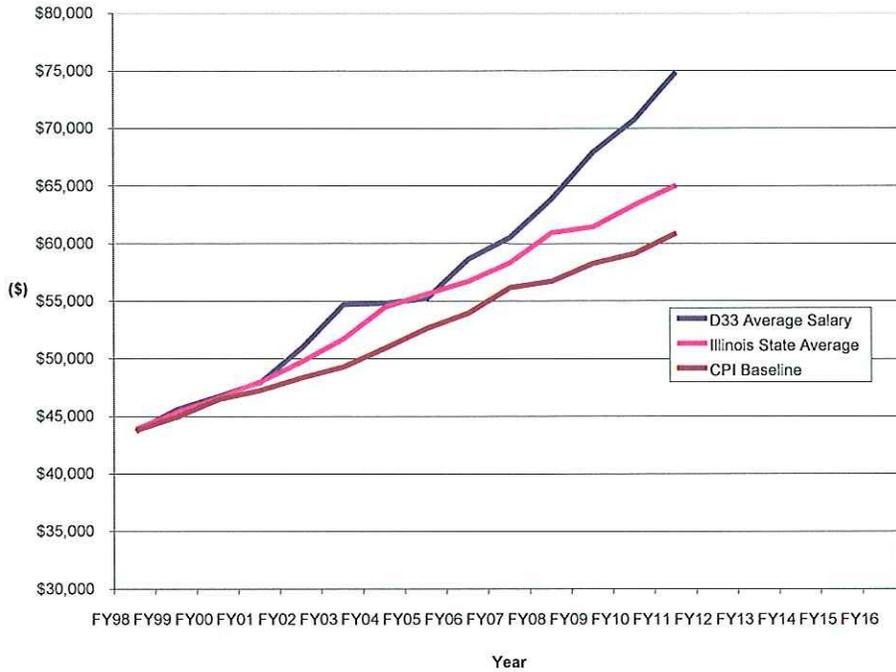
With the Board's proposal, everyone on the salary schedule would get a 3% raise each year of the contract plus any earned lane movement. Those teachers no longer on the schedule would receive at 2% increase in the first year of the contract and a 1% increase in the subsequent years plus any earned lane movement.

Our current built-in increments are not affordable. A typical teacher in our district receives an automatic 4.5% raise each year and an additional 3.4% raise if they complete 8 semester hours of graduate credit. This is before we negotiate any raise to the base salary. Consequently our salaries are rising faster than the industry norm and are now well above average for DuPage county. The chart³ below shows how our average salaries continue to outpace inflation⁴ and the State salary average.

³ Source: Illinois School Report Cards

⁴ Inflation is measured by the Consumer Price Index (CPI). CPI is currently around 2.2%

Historical Salary Data



	District 33	State	CPI Baseline
FY98	\$43,652	\$43,806	\$43,729
FY11	\$74,785	\$64,978	\$60,844
Average Annual Increase	4.23%	3.08%	2.57%

We need to modify our basic salary structure to be consistent with the industry. Our starting salaries are lower than our neighboring districts. However, teachers in District 33 progress aggressively through the salary schedule. If one compares the salaries of a teacher with 8 years experience, we have the highest salaries of our neighboring districts. This structure makes it difficult to attract new teachers when markets are competitive.

A lower automatic increment does not necessarily translate to lower salaries. Raises are composed of two factors – (1) a step increment and (2) a raise to the base. By lowering the automatic step to be consistent with the industry, we have more flexibility to adjust the final salaries based on economic conditions.

Teacher Unions in our neighboring districts have recognized the severity of the current financial conditions and have worked out financial interventions. Both Community High School and Winfield School District 34 negotiated contracts in 2011, and both districts eliminated all step and lane movement for 2 years. We are proposing to retain step and lane movement with a reduced step that is comparable to other districts in Illinois.

Detailed Board Salary Schedule Proposal

The existing salary schedule for District 33 teachers is shown below.

District #33 Existing Salary Schedule												
Lanes												
STEP	1	2	3	4	5	6	7	8	9	10	11	12
	BA	BA+8	BA+16	BA+24	BA+32	MA	MA+8	MA+16	MA+24	MA+32	MA+40	MA+48
1	\$38,471	\$39,779	\$41,133	\$42,530	\$43,976	\$45,473	\$47,062	\$48,708	\$50,416	\$52,178		
2	\$40,202	\$41,568	\$42,984	\$44,442	\$45,954	\$47,708	\$49,339	\$51,028	\$52,775	\$54,575		
3	\$42,010	\$43,438	\$44,915	\$46,442	\$48,020	\$50,055	\$51,728	\$53,455	\$55,244	\$57,079		
4	\$43,899	\$45,392	\$46,935	\$48,531	\$50,185	\$52,517	\$54,233	\$56,002	\$57,830	\$59,699		
5	\$45,877	\$47,435	\$49,051	\$50,716	\$52,440	\$55,102	\$56,856	\$58,668	\$60,534	\$62,438		
6	\$47,943	\$49,570	\$51,255	\$52,998	\$54,802	\$57,814	\$59,611	\$61,461	\$63,369	\$65,305		
7	\$50,097	\$51,801	\$53,563	\$55,383	\$57,268	\$60,657	\$62,496	\$64,385	\$66,336	\$68,301		
8	\$52,351	\$54,133	\$55,971	\$57,876	\$59,845	\$63,643	\$65,520	\$67,451	\$69,440	\$71,437		
9	\$54,710	\$56,568	\$58,491	\$60,480	\$62,538	\$66,774	\$68,690	\$70,664	\$72,691	\$74,718		
10	\$57,172	\$59,115	\$61,123	\$63,204	\$65,351	\$70,060	\$72,014	\$74,026	\$76,092	\$78,146		
11				\$66,047	\$68,294	\$73,507	\$75,499	\$77,550	\$79,654	\$81,735		
12				\$69,021	\$71,364	\$77,123	\$79,154	\$81,239	\$83,382	\$85,486	\$90,449	\$93,615

When hired, a teacher is placed in the appropriate row (step) and column (lane) based on experience and education. For example, a teacher with 5 years of experience, a bachelor's degree, and 32 credit hours towards a master's degree would be placed on step 5, lane 5. The starting salary would be \$52,440.

Teachers are automatically advanced a step every year. Lane movement occurs as additional semester hours of graduate-level credits are earned. If this teacher completes a master's degree in the following year, he or she would move to step 6, lane 6 with a salary of \$57,814, resulting in a step-lane increase of 10.2%.

Typically, the "base" or starting salary is adjusted every year. A 2% raise on the base would raise the salaries in each cell as follows:

District #33 Existing Salary Schedule with a 2% Base Increase												
Lanes												
STEP	1	2	3	4	5	6	7	8	9	10	11	12
	BA	BA+8	BA+16	BA+24	BA+32	MA	MA+8	MA+16	MA+24	MA+32	MA+40	MA+48
1	\$39,240	\$40,575	\$41,956	\$43,380	\$44,856	\$46,382	\$48,003	\$49,682	\$51,425	\$53,222		
2	\$41,006	\$42,399	\$43,843	\$45,331	\$46,873	\$48,662	\$50,326	\$52,048	\$53,830	\$55,666		
3	\$42,851	\$44,306	\$45,813	\$47,371	\$48,980	\$51,056	\$52,763	\$54,525	\$56,349	\$58,221		
4	\$44,777	\$46,300	\$47,873	\$49,502	\$51,189	\$53,567	\$55,317	\$57,122	\$58,986	\$60,893		
5	\$46,794	\$48,383	\$50,032	\$51,731	\$53,489	\$56,204	\$57,993	\$59,842	\$61,745	\$63,687		
6	\$48,901	\$50,561	\$52,280	\$54,058	\$55,898	\$58,971	\$60,803	\$62,690	\$64,637	\$66,611		
7	\$51,099	\$52,837	\$54,634	\$56,491	\$58,413	\$61,870	\$63,746	\$65,673	\$67,662	\$69,667		
8	\$53,398	\$55,215	\$57,091	\$59,033	\$61,042	\$64,915	\$66,830	\$68,800	\$70,829	\$72,866		
9	\$55,804	\$57,699	\$59,661	\$61,690	\$63,789	\$68,110	\$70,064	\$72,077	\$74,145	\$76,213		
10	\$58,315	\$60,297	\$62,345	\$64,468	\$66,658	\$71,461	\$73,454	\$75,506	\$77,614	\$79,709		
11	\$58,315	\$60,297	\$62,345	\$67,368	\$69,660	\$74,977	\$77,009	\$79,101	\$81,247	\$83,370		
12	\$58,315	\$60,297	\$62,345	\$70,401	\$72,791	\$78,665	\$80,737	\$82,864	\$85,050	\$87,196	\$92,258	\$95,488

In this instance, a teacher moving from step 5, lane 5 to step 6 lane 6 would receive a salary increase from \$52,440 to \$58,971. This is an increase of 12.5%.

The Board's proposal would slow the rate of salary advancement to one that is sustainable and consistent with industry norms. The Board proposes to double the number of steps and decrease the automatic annual increment by one-half, which is approximately 2.25% and consistent with the average rate of inflation.

Under the Board's proposal, the starting salary schedule would be as follows:

District #33 Proposed Salary Schedule												
Lanes												
STEP	1	2	3	4	5	6	7	8	9	10	11	12
	BA	BA+8	BA+16	BA+24	BA+32	MA	MA+8	MA+16	MA+24	MA+32	MA+40	MA+48
1	\$38,471	\$39,779	\$41,133	\$42,530	\$43,976	\$45,473	\$47,062	\$48,708	\$50,416	\$52,178		
2	\$39,337	\$40,673	\$42,058	\$43,486	\$44,965	\$46,590	\$48,200	\$49,868	\$51,595	\$53,377		
3	\$40,202	\$41,568	\$42,984	\$44,442	\$45,954	\$47,708	\$49,339	\$51,028	\$52,775	\$54,575		
4	\$41,106	\$42,503	\$43,949	\$45,442	\$46,987	\$48,881	\$50,534	\$52,242	\$54,009	\$55,827		
5	\$42,010	\$43,438	\$44,915	\$46,442	\$48,020	\$50,055	\$51,728	\$53,455	\$55,244	\$57,079		
6	\$42,955	\$44,415	\$45,925	\$47,487	\$49,102	\$51,286	\$52,980	\$54,729	\$56,537	\$58,389		
7	\$43,899	\$45,392	\$46,935	\$48,531	\$50,185	\$52,517	\$54,233	\$56,002	\$57,830	\$59,699		
8	\$44,888	\$46,413	\$47,993	\$49,624	\$51,313	\$53,809	\$55,544	\$57,335	\$59,182	\$61,069		
9	\$45,877	\$47,435	\$49,051	\$50,716	\$52,440	\$55,102	\$56,856	\$58,668	\$60,534	\$62,438		
10	\$46,910	\$48,502	\$50,153	\$51,857	\$53,621	\$56,458	\$58,234	\$60,065	\$61,952	\$63,871		
11	\$47,943	\$49,570	\$51,255	\$52,998	\$54,802	\$57,814	\$59,611	\$61,461	\$63,369	\$65,305		
12	\$49,020	\$50,686	\$52,409	\$54,190	\$56,035	\$59,236	\$61,053	\$62,923	\$64,852	\$66,803		
13	\$50,097	\$51,801	\$53,563	\$55,383	\$57,268	\$60,657	\$62,496	\$64,385	\$66,336	\$68,301		
14	\$51,224	\$52,967	\$54,767	\$56,629	\$58,557	\$62,150	\$64,008	\$65,918	\$67,888	\$69,869		
15	\$52,351	\$54,133	\$55,971	\$57,876	\$59,845	\$63,643	\$65,520	\$67,451	\$69,440	\$71,437		
16	\$53,530	\$55,350	\$57,231	\$59,178	\$61,192	\$65,208	\$67,105	\$69,057	\$71,066	\$73,078		
17	\$54,710	\$56,568	\$58,491	\$60,480	\$62,538	\$66,774	\$68,690	\$70,664	\$72,691	\$74,718		
18	\$55,941	\$57,841	\$59,807	\$61,842	\$63,945	\$68,417	\$70,352	\$72,345	\$74,391	\$76,432		
19	\$57,172	\$59,115	\$61,123	\$63,204	\$65,351	\$70,060	\$72,014	\$74,026	\$76,092	\$78,146		
20				\$64,626	\$66,822	\$71,783	\$73,757	\$75,788	\$77,873	\$79,941		
21				\$66,047	\$68,294	\$73,507	\$75,499	\$77,550	\$79,654	\$81,735		
22				\$67,534	\$69,829	\$75,315	\$77,327	\$79,395	\$81,518	\$83,611	\$87,030	\$90,323
23				\$69,021	\$71,364	\$77,123	\$79,154	\$81,239	\$83,382	\$85,486	\$90,449	\$93,615

The increment for lane changes remains unchanged in the Board's proposal. Existing employees would be placed on the same lane and on step 2N minus 1⁵. Their salary would not change in this initial placement. The teacher originally on step 6, lane 5, would now be on step 11, lane 5. The salary remains constant \$54,802.

The Board proposes to raise the base salary by 0.75% each year during this contract. The proposed salary schedule for the current 2012-2013 school year would be:

District #33 Proposed Salary Schedule with a 0.75% Base Increase												
Lanes												
STEP	1	2	3	4	5	6	7	8	9	10	11	12
	BA	BA+8	BA+16	BA+24	BA+32	MA	MA+8	MA+16	MA+24	MA+32	MA+40	MA+48
1	\$38,760	\$40,077	\$41,442	\$42,849	\$44,306	\$45,814	\$47,415	\$49,073	\$50,794	\$52,570		
2	\$39,632	\$40,979	\$42,374	\$43,812	\$45,302	\$46,940	\$48,562	\$50,242	\$51,982	\$53,777		
3	\$40,504	\$41,880	\$43,306	\$44,775	\$46,298	\$48,066	\$49,709	\$51,411	\$53,170	\$54,984		
4	\$41,415	\$42,822	\$44,279	\$45,783	\$47,339	\$49,248	\$50,913	\$52,634	\$54,415	\$56,246		
5	\$42,325	\$43,763	\$45,252	\$46,791	\$48,380	\$50,430	\$52,116	\$53,856	\$55,659	\$57,508		
6	\$43,277	\$44,748	\$46,269	\$47,843	\$49,471	\$51,670	\$53,378	\$55,139	\$56,961	\$58,827		
7	\$44,229	\$45,732	\$47,287	\$48,895	\$50,562	\$52,911	\$54,639	\$56,422	\$58,263	\$60,147		
8	\$45,225	\$46,761	\$48,353	\$49,996	\$51,697	\$54,213	\$55,961	\$57,765	\$59,626	\$61,527		
9	\$46,221	\$47,791	\$49,418	\$51,097	\$52,833	\$55,515	\$57,283	\$59,108	\$60,988	\$62,907		
10	\$47,261	\$48,866	\$50,529	\$52,246	\$54,023	\$56,882	\$58,670	\$60,515	\$62,416	\$64,351		
11	\$48,302	\$49,942	\$51,639	\$53,395	\$55,213	\$58,248	\$60,058	\$61,922	\$63,845	\$65,794		
12	\$49,387	\$51,066	\$52,802	\$54,597	\$56,455	\$59,680	\$61,511	\$63,395	\$65,339	\$67,304		
13	\$50,473	\$52,190	\$53,965	\$55,798	\$57,697	\$61,112	\$62,965	\$64,868	\$66,833	\$68,814		
14	\$51,608	\$53,364	\$55,178	\$57,054	\$58,996	\$62,616	\$64,488	\$66,413	\$68,397	\$70,393		
15	\$52,744	\$54,539	\$56,391	\$58,310	\$60,294	\$64,120	\$66,011	\$67,957	\$69,961	\$71,973		
16	\$53,932	\$55,765	\$57,661	\$59,622	\$61,651	\$65,697	\$67,608	\$69,575	\$71,599	\$73,626		
17	\$55,120	\$56,992	\$58,930	\$60,934	\$63,007	\$67,275	\$69,205	\$71,194	\$73,236	\$75,279		
18	\$56,360	\$58,275	\$60,256	\$62,306	\$64,424	\$68,930	\$70,880	\$72,887	\$74,949	\$77,006		
19	\$57,601	\$59,558	\$61,581	\$63,678	\$65,841	\$70,585	\$72,554	\$74,581	\$76,662	\$78,732		
20				\$65,110	\$67,323	\$72,321	\$74,310	\$76,356	\$78,457	\$80,540		
21				\$66,542	\$68,806	\$74,058	\$76,066	\$78,131	\$80,252	\$82,349		
22				\$68,040	\$70,352	\$75,880	\$77,907	\$79,990	\$82,130	\$84,238	\$87,683	\$91,000
23				\$69,538	\$71,899	\$77,701	\$79,748	\$81,849	\$84,007	\$86,128	\$91,128	\$94,317

⁵ Step 1 stays on step 1; step 2 goes to step 3; step 3 goes to step 5; step 4 goes to step 7; and so on.

A teacher moving from step 11, lane 5 to step 12, lane 6 would receive a salary increase from \$54,802 to \$59,680. This is an increase of 8.9%. If this teacher did not earn any additional credit hours, he or she would move to step 12, lane 5 with an increased salary of \$56,455. This is an increase of 3.02%.

Those teachers on step 12 in the current schedule would move to step 23 on the proposed schedule. Since there is no subsequent step, the Board proposes that those employees be removed from the schedule and that they receive a longevity salary increase. The Board proposes a 2% salary increase in year one of the contract and a 1% increase in years 2 and 3 of the contract for these, our highest paid, employees.

Board Salary Cost Summary

The Board's proposed salary costs and annual salary increases without retirees are as follows:

Contract Year	Salary Costs	Annual Increase
2011-2012	\$16,707,742	
2012-2013	\$17,271,641	\$563,898
2013-2014	\$17,748,626	\$476,985
2014-2015	\$18,211,943	\$463,317

Retirement Incentive

Board Retirement Incentive Proposal

The Board has proposed that eligible employees who retire during this contract receive a post-retirement stipend. The stipend for each year of full-time certified teaching experience in District 33 is as follows:

Contract Year	Retirement Incentive
2012-2013	\$1000 per year of service
2013-2014	\$800 per year of service
2014-2015	\$600 per year of service

The teacher must be eligible to retire from the Illinois Teachers Retirement System (TRS) without discount and without any required employer contribution or ERO penalty. This benefit will not be available to a teacher who is already receiving the 6% retirement incentive.

The Board is proposing that this post-retirement service stipend will sunset at the conclusion of this agreement.

Rationale for Board Retirement Incentive Proposal

Currently teachers receive a 6% raise in each of their last 4 years of service to the district. This increases the amount they will receive in their retirement pension. The Board believes that this practice needs to be phased out in order to protect the solvency of the State of Illinois teacher pension program. It is the Board's belief that fair salaries should be paid throughout the employee's career and not artificially increased at retirement.

The General Assembly is considering legislation that would shift the State's required contributions to the teachers' pension system to local school districts. The district cannot afford the additional cost of these increases.

The Board is not in favor of offering retirement incentives to our most experienced teachers. We are already experiencing a high retirement rate, and some of our most senior teachers are among our best.

In the spirit of compromise, the Board agreed in the final offer to give post-retirement stipends which will not impact pensions. The Board matched the dollar amount initially proposed by the teacher's Union, but believes the stipends need to be offered on a declining scale if they are to induce retirements.

Board Retirement Incentive Cost Summary

The cost of the retirement incentive depends on the number of employees who elect to participate. If 15 eligible employees, with an average 30 years of service, elect to retire, the cost is approximately \$360,000.

Proposals Affecting Student Achievement

While it is difficult to implement meaningful changes in a period of financial stress, we believe it is imperative that we do so. The district, working in conjunction with our teachers, has already made important changes. We have improved our collection and analysis of student performance data; we now provide early, systematic assistance to children who are having difficulty learning; and we are implementing Common Core State Standards.

Teacher Appraisal

The Board's proposal is detailed in Article IX of the Board's Comprehensive Proposal. Changes in teacher appraisal are required to implement the Illinois Performance Evaluation Reform Act of 2010 (PERA).

The Board proposes to implement this law without additional restrictions or encumbrances which would weaken the implementation or impede the District's ability to lead and succeed in this endeavor. The goal of the Board is to work collaboratively

with teachers to become a statewide leader in recognizing and rewarding excellence in teaching.

The Board proposes that the teacher evaluation procedures will be set forth in the District's "Teacher Evaluation Plan" which has been jointly developed by a team of administrators and teacher representatives, and will be maintained in accordance with the Illinois School Code.

Evaluation timelines for tenured and non-tenured teachers are specified in the Board's proposal.

Reduction of Personnel

The Board's proposal is detailed in Article XI of the Board's Comprehensive Proposal. Changes in dismissal and recall of teachers are required to implement the Illinois Performance Evaluation Reform Act (PERA) and Senate Bill SB7.

The Board proposes that dismissal and recall will be in accordance with Section 24-12(a) of the Illinois School Code.

Evening Meetings with Parents

Increased parental involvement is essential to improving student performance. Currently our teachers are required to have up to 2 evening meetings per year. The Board proposes that the teachers be required to meet up to 2 additional times per year with parents. The teachers would be paid for this additional time.

Second Monthly Faculty Meeting

Our current practice is to have one (1) regularly scheduled monthly faculty meeting lasting no later than 90 minutes following student dismissal.

The Board proposes that the district have two (2) regularly scheduled faculty meetings each month lasting no longer than 75 minutes following student dismissal.

The district is making substantial curriculum and instructional changes in an effort to improve student achievement. The more frequent meetings are essential for implementing changes smoothly and quickly.

Additional Training Day in Exchange for an Additional Personal Business Leave Day

Teacher training is an essential component to improve academically. If we expect our teachers to implement new and more effective teaching strategies, they must have the tools to do so. Many of our teachers have asked for additional training, but we are constrained in what we can offer.

The teacher's Union proposed that teachers get an additional personal business leave day in addition to the two (2) paid personal days, fourteen (14) paid sick days, and up to three (3) paid bereavement days to which they are entitled each year.

The Board proposes to agree to the additional personal leave day provided the teachers increase the number of training days from four (4) to five (5).

Proposals with Tentative Agreements which Affect Cost

The following proposals have been tentatively agreed to by the negotiation teams and are part of the current offer. Additional tentative agreements which do not affect cost are listed in various sections of the contract and can be found at the end of the Board's actual proposal.

Hard to Fill Positions

Some vacancies are hard to fill. In areas of shortage, the Board, upon notifying the teacher's association, may offer up to a \$5000 one-time signing bonus for these positions.

Reimbursement for Damages

A teacher suffering damage to property being used on school property will be reimbursed up to \$250 (an increase from \$200 in the existing contract). Additionally the Board will give consideration to an amount of actual damage over that sum.

Planning Time for Multiple Presentations

In situations where a teacher makes multiple presentations of similar material within the same fiscal year, compensation for planning time will be reduced by one hour for each presentation beyond the first.

Conclusion

The Board values our teachers and their role in our community. We believe that teachers in our district are dedicated, talented and professional, and that they deserve fair compensation that is commensurate with industry norms.

We believe that our salaries and benefits need to remain competitive, so that we can attract the best teachers we can afford for our students. We believe in investing in training and career development.

Our responsibility to the community is to live within our budget, while providing the best possible education to our students. We remain open to work with the teacher's Union to achieve this balance.