

MEA Contract Bargaining for the School Year 2011-2012

Session #8

September 20, 2011

Those present from management: Willie Clark, Jim Drake, Chuck Fradley, Nancy Goux, James Horner, Scott Martin, Sharon Scarbrough, Joe Stokes and Lesli Strickland.

Those present from MEA: Pat Barber, Carol Bell, MaryAnn Kauffman, Helen King, Maureen Marhold, Melanie Newhall, Bruce Proud and Dawn Walker.

Meeting began at ~4:40.

Access to AFR. Last year's AFR removed from website. Jim – Transparency Manatee is where you can find AFRs from '05-'06.

MEA has not gotten response to questions about budget. Scott – Jim has document with answers. Jim went through the answers they had.

Question #2 - On page 47, the line for local revenue from Post Secondary Course fees has been reduced from the prior years of \$1.63 million in 2009-10 and \$1.98 million in 2010-11 to \$1.25 million for 2011-12. What is the reason for the reduction in this line item for the approved budget? Postsecondary fees paid for by student tuition. Can only be used for MTI and cannot be used for K-12 expenditures. Workforce can't be used for k-12.

Bruce – I understand that but those teachers are in the bargaining unit.

Question #3 - On page 47, the line for local revenue from Charges for services has been increased from the prior years of about \$135,000 in 2009-10 and about \$89,000 in 2010-11 to \$1,000,000 for 2011-12. What is causing the anticipated increase? Those transactions reflect printing services dept. At end of year net revenues and expenditures. Sell everything to schools. 135 and 89 represent revenues over expenditures.

Question #4 - On page 47, the line for local revenue from Activity Bus Fees has been increased from the prior years of about \$59,000 in 2009-10 and about \$82,000 in 2010-11 to \$325,000 for 2011-12. What is causing the anticipated increase? – local revenue for bus fees has increased because of similar process. Trying to cover costs. Have full cost at beginning of year and net it at end of year.

Question #5 - On page 48, the line for local revenue from Federal Indirect Costs has been decreased from the prior years of about \$.2.2 million in 2009-10 and about \$2.1 million in 2010-11 to \$1,200,000 for 2011-12. What is causing the anticipated decrease? – decrease takes us to what we were earning before got ARRA funds. We were able to claim federal indirect on stimulus. Increase on federal indirect. Not going to get that this year to generate additional revenue.

Question #6 - On page 48, the line for local revenue from Other Local Sources has been decreased from the prior years of about \$2.3 million in 2009-10 and about \$2.15 million in 2010-11 to \$1,230,000 for

2011-12. What is causing the anticipated decrease? – other local sources – grant specific (from a local source – excellent teacher –actually state-sourced) specific grants.

Question #7 - On page 50 there is a chart listing a breakdown of the \$307,774,861 in for 2011-12 Expenses detailed by Object categories. Where might I find a similar chart for the 2010-11 Expenses of \$320,446,310 for 201-11 and \$310,045,514 for 2009-10? Will be similar chart in budgets for '09-'10 and '10-'11. Previous page in older budget included reserves. This page only reflects expense objects. Budget not fund balance. Prior 2 years includes all.

Question #8 - On page 50, what is included in the Object category of Purchased Services? Purchased services – out of the redbook. Up to 300. Professional and technical services. Consultants. Payments to charter schools. DOE requires coding this way. OT/PT/speech therapists

Question #9 - In the Departmental Budgets beginning on page 77, some budgets show increases in Personnel Costs with decreases in the number of staff, some show decreases in Personnel Costs with increases in the number of staff and some show little or no change, how are the Personnel Costs determined? Departmental budgets – common theme – some show increases in personnel, decreases in expenditures.

Salary projection program in JDEdwards. Departments are 3, 4, or 5 people. Retirement, social security & health insurance program wasn't working correctly. In total, budgeted properly but at department level not so well. Staff is going to correct this year. Took 4 days but corrected health insurance calculations but didn't have opportunity to correct social security & retirement. Most departments mentioned are in relation to a school. Small site - less than 5 or 10 employees.

Question #10 - On pages 84- 85, Construction Services shows no data for the 2009-10 and 2010-11 years but \$1,008,114 for 2011-12, but shows employees for all three years. Where in the budget were these expenses previously reported and what were the expenses for 2009-10 and 2010-11? Construction services had employees all those years. At end of year as allowed by statute cost of their operation is journal entried in to capital fund. Report those in capital not general fund.

Question #11 - On pages 86-87, the Staff Attorney shows no changes in expenses and the position held vacant. Is it the intent to keep this position vacant for the year? Is it the expectation that expenses for outsourcing the work will be no more than the Personnel Costs budgeted amount for 2011-12 of \$313,257? The intent of superintendent and board to is to hold the position vacant. Expectation for outsourcing no more than personnel budgeted.

Question #12 - On page 90, the Community and Press Relations department is shown as 2 fewer staff but the Personnel Cost is increasing by \$10,881. What would cause the personnel cost increase if there are fewer employees? Small departments benefit calculations have a larger % effect. Board chair noticed same thing. Didn't pull out contracted person. Has been corrected. Had these at budget workshop. Error on their part.

Question #13 - On page 103, what would cause an increase in Personnel Costs in Finance of more than \$40,000 when there is no reported increase in the number of staff? – prior years covered cost of those

people worked with capital fund and cover part of their salaries. As result of audit, need to keep time records. Since capital fund is showing as much stress as general, decided not to make transfer. Appears there's more \$. Benefit calculations might have that effect.

Question #14 - On pages 110, 112 and 114, the charts show no data for the 2011-12 year, but show data for 2008-09, 2009-10 and 2010-11 with comparison of the 2010-11 and 2009-10 years. Is this old data or are there an error in the chart? What is the correct data for the 2011-12 budget? – headings incorrect. Should be 9-10, 10-11, 11-12. Copy and paste error. Quite confident it's a heading error.

Question #15 - On page 112, Printing Services shows no data for the 2009-10 and 2010-11 years but \$526,295 in expenses for 2011-12, but shows employees for all three years. Where in the budget were these expenses previously reported and what were the expenses for 2009-10 and 2010-11? -- Printing services – netted out cost of operation. Found later on pg 110 operating cost went up by 762% found a keying error. That is one of the budget amendments they've made to correct that.

Question #16 - On page 120 the Academics department is listed as expecting an increase of 8.54 or \$20,010 in Personnel Costs for 2011-12. What is the reason for the increase in costs? Actuals in 10-11 new position not filled until several months into the year as well as benefit calculation. Only a handful of people in academics.

Question #17 - On pages 13-132, the ESE department shows a decrease in Personnel costs of 30% or about \$1.195 million less and a decrease in Operating costs of 42.63% or about \$1.47 million less for 2011-12 while showing no change in the number of staff. What is causing the reduction in Personnel and Operating expenses? – Part of reason for reduction, budgeting reduction for # of aides. Using ARRA money that remains to cover cost of some of those aides. As far as contracted services major change – take ½ hour out of contract every day. Jim and Supt. want to take a closer look at.

Question #18 - On pages 134-135, the Student Services department shows an increase in Personnel Costs of \$42,774 while there is a decrease in staff by two. What is causing an increase in Personnel costs when the staff is decreasing? Personnel costs going up have to do with benefit calculations. Health insurance calculated based on salary. Doesn't reflect what plan they're on. You will see variation. "Reports now tool" hopefully will be able to get more specific on how they budget HI. Will have to adjust if someone changes their plan.

Question #19 - On pages 136-137, the Dropout Prevention Services department shows a decrease of about \$19,000 in Personnel Costs, shows a decrease in staff by two, and the number of positions for 2011-12 seems to add up to 8 rather than the listed number of 7. What is the actual number of staff assigned to this department? What are the correct budgeted Personnel Cost figures? Combined position after someone left. Reflects correct reduction but it does look like number should be 8 instead of 7.

Question #20 - On page 139, why are the budgeted Personnel costs in the School Management - Elementary department increasing by 18.6%? Partly due to 21st Century grant. Grant used to pick up more cost of position. Admin. costs capped. Accounts for part of increase. 5 person department. Joe picked up person who does extended day – additional person.

Question #21 - On pages 140-143, the School Management-High budget numbers are repeated on pages 141 and 143 and there are no numbers for School Management-Middle department. What are the School Management-Middle budget and staff figures? Looks like a duplication. Should have been a different allocation there. Usually split Angela. Split between 3215 and 3220.

Question #23 - On page 150, the District Support Services chart shows an increase in Personnel costs for the 2011-12 year. What is causing the increase in Personnel costs? District support services – small department – 2 people.

Question #24 - On page 156, the Risk Management chart shows an increase in Personnel costs of about \$63,000 for the 2011-12 year. What is causing the increase in Personnel costs? Moved an additional person in, not sure off the bat. Portion of some salaries ended up in health insurance fund. Don't show them as separate. In other words don't have a chart who we actually pay out of HI or WC fund.

Question #25 - On page 163, the human Resources chart shows an increase in Personnel costs for the 2011-12 year. What is causing the increase in Personnel costs when it shows a decrease in staff by 2? Although showing less people for that change to be of that small magnitude have to go back to benefit calculation.

Question #26 - On page 165, the Instructional TV Services chart shows an increase in Personnel costs of 18% for the 2011-12 year when staff is decreased by 1 position. What is causing the increase in Personnel costs? Caught later on. Budgeted salary 2x and have corrected that.

Question #27 - For the school reports beginning on page 167 through page 271, there are large variances in what schools show as changes in Personnel costs (+ or – 35%) that seem inconsistent with the changes in the number of staff (+ or – 5%) and the number of students . (+ or - less than 20 students) How are Personnel Costs calculated for the School reports that begin on page 167? How are staff allocations determined for what is listed in the school reports that begin on page 167 and end at page 271? Elementary spent more than last year; HS considerably less. That one will probably need more time to give specifics. Look at step allocation worksheet that all principals are aware of and compare to salary project to ensure allocating enough teachers. Those positions not on salary projection add average. Can get you more detailed info. We don't allow principals to trade away teachers who "cost" more. It creates situation where principals would want to get rid of high salaried teachers. Not salary specific.

Document distributed only details administrative cost centers and any projects tied to that cost center. Jim is trying to explain large variances.

Bruce – departmental salary –reduction in retirement percentage – wouldn't expect increase.

Jim – you're correct. We can break it down to show HI & SS. It will be more clear. Expect average decrease of 10-15% in budgets.

Bruce – didn't happen. That's why I'm asking the question. The department pages are not reflected in overall budget docs?

Jim – yes, they absolutely are, but they need to be refined.

Jim expects to be finished by end of the week.

Scott – Salary issue intertwined with HI premiums. Want to get into that?

Self-funded health plan document created by actuary distributed to both teams.

Bruce – Insurance committee gave presentation to board. Bruce gave background on committee, who participates, committee's work, etc. Only minimal recommendations in terms of plan design. Maintain current PBM structure. 1/12 – 12/12. Committee worked with actuary who attends each meeting. This is actuary's report. Last revision she provided to committee following conversations. Overall data should be same on both sides of document. Some difference at bottom. Bruce walked the group through the document on behalf of the HIC.

Scott asked how comfortable we felt with trend.

Bruce – worked with actuary and BCBS and their book of business. Fairly comfortable. Still think trend is conservative.

Committee recommendation does not cover 60 day reserve or any other funding from board for budget. \$3 million is not part of calculation.

Joe – premiums just went up in '11 and they are proposing to go up in '12?

Bruce – yes.

Scott asked if Allison factored in migration when contemplating revenue increases – 10.2 and then 7%

Bruce – we had conversation about that. Looked at how many people changed plans pre and post impasse. Calculations in terms on premiums based on plan designs. Actuarial assumptions about utilizing plan design. Make actuarial assumptions.

Scott asked if everything was “open” in terms of choices.

Bruce – looked at variety of options for HMOs, PPOs, eliminating plans, disruption compared to savings for shift, looked for larger impacts, even in the Rx process. Looked at those, too.

Joe – employees will have to learn what blue choice means in '12?

Bruce – yes, just blue choice. Want to look at what will put us in best position for RFP for 2013.

Chuck – Blue Care single is not up.

Bruce – Maintaining low enough premium that people could still afford it.

Scott – Number of employees – majority in blue options, correct?

Bruce gave approximations of how many in each plan.

Scott – did not anticipate having a split. Impressed at committee's work.

Caucus at 6:00.

Reconvened at 6:46.

Bruce began by briefly describing what MEA discussed in our caucus. Prepared to talk about compensation. Believe in HIC's recommendation. Recognize district's proposal about life insurance. Step needs to be implemented 1/1/12 to afford HI increases. Some of the Q&A around budget caused concern that there hasn't been enough detailed work. Not ready to fund employees to the extent necessary. Looking forward to seeing answers and opportunity to go through data and see where district is in financial standing. Not saying there is a lot of money.

#1 concern – looking out for lower paid employees and to provide health care for employees. Doesn't take a lot to impact them.

Scott – Regarding life insurance , do you agree in spirit? I know you need the final document.

Bruce – Yes. Other driving factor hearing from districts around state recognizing burden FRS contribution has had on employees. Looking to compensate employees in a variety of ways. A lot of districts recognizing that you can't go through this process with more cuts. A number of districts have covered whole cost of increase in health insurance as well as increasing compensation.

Scott – Do you have anything else on compensation? Just step?

Bruce – Yes. Beginning in January. Current schedule.

Scott – Dood. That gives us something to work with.

Caucus and reconvene at 7:11 p.m.

Scott – Had Jim go over numbers. \$1.8 million. Reduction of 2.75 and value of 3 furlough days = \$3.9. looking at \$5.7 million. All for rescrutinizing budget, but don't know if we're going to find that much.

Bruce - \$1.8 for January implementation?

Scott – No, annual. Jim said it would be 55% of that.

Scott – Still looking at a substantial amount of money, but it's something to work with.

Bruce – Did you consider the \$3 million that doesn't seem to be needed in the health insurance plan?

Scott – We can factor that in. Want to propose dates. Think about it some more.

Future bargaining dates – 9/27 and 10/5.

Adjourned ~7:15 p.m.