

MEA Contract Bargaining for the School Year 2011-2012

Session #6

Wednesday, August 17, 2011

Meeting began at 4: 42 PM

In attendance from Management: Forrest Branscomb, Jim Drake, James Horner, Scott Martin, Mike Pendley, Alan Ramos, Sharon Scarbrough and Joe Stokes.

In attendance from MEA: Rachel Bailey, Pat Barber, Carol Bell, Kara Carney, Helen King, Melanie Newhall, Bruce Proud and Dawn Walker.

Scott began by distributing a mock-up of what a sick leave statement would look like.

Bruce – place needed for prior to June 30 taking balance % & rate. It isn't necessarily the same for everybody, and people will take from that.

Scott will verify.

Jim – the balances as of 6/30/11 is what you were earning at 6/30/11. 500 hrs as of 6/30/11 – it's what your hourly rate was at that time.

Rita confirmed rate would be whatever it was at retirement.

Bruce – how frequently updated and when?

Scott – It would be annually. We didn't go over a specific date. It's an adjunct report updated at beginning of year.

Bruce – someone considering retiring – would they be able to get an updated report?

Scott – Doesn't see why not. It just makes sense. He will verify.

Bruce – Access to form through what means?

Scott – Website access through intranet. Accessible as same fashion as other payroll info, pay stubs, things like that. In reviewing proposed language – didn't want to overpromise what payroll can do. Aside from 3 questions seems to be what you're proposing. He will bring answers back.

Next big issue – health insurance.

Forrest – Blue Choice plan change. Looked at 10-12 scenarios for pharmacy. Awaiting more information.

Consultants and actuary getting more info. Learning more about member cost to plan as well as plan cost. In other words, premiums, copays, addressing those issues as well. Don't have final recommendation. Will meet again 8/30. No additional requests for data at end of last meeting. Pretty close to getting all data we need to sit down and pick or recommend the options for discussion, may be several at table. Getting closer. No final recommendation at this time.

Scott – in terms of actuary doing studies, can those be done in time for HIC's meeting on 8/30?

Forrest – another 5 hr. meeting planned. Actuary brings laptop and can do things on the fly. We can move forward. Depends on what we discuss. Getting close.

Scott – in light of no recommendation, what's our position?

Bruce - Budget – changes with every board meeting.

Bruce - Claiming board contribution of \$3 million by cutting employee pay is backwards. State has approved board's budget and plan, no need to put more dollars into plan. No state mandate. Being driven by superintendent's recommendation..

Scott - Not necessary?

No – it's offensive. It's a 3-year plan and it was approved.

Scott - Any salary reduction offensive if used to reduce deficit in excess of 3 yr plan proposed?

Bruce - As it relates to health plan, yes. It's our understanding that plan is stable. Nothing from OIR is telling us differently. Salary and benefits are mandatory issues of bargaining.

Scott – Can there be no reductions in salary if there is any . . .

Bruce - Don't know if there is reason to reduce. Asked about furlough days for paras. Calculations don't come out accurately. MEA still hasn't gotten answer to that question. You haven't exchanged any documents with us at all – haven't seen anything in writing from the district. This is the first piece of paper we've received.

We're clear on what your proposal is. Asked for clarity on budget proposal. Why is proposal 2.75 reduction for teachers and 3 furlough days for paras?

Scott - Still waiting finality of budget.

Bruce - Not sure of clarity on life insurance and what that means.

Scott asked Forrest to hand out life insurance docs

FB - All have benefit that pays premium for 2X salary and option of buying additional up to 2x earnings at time of hire if hired today w/o evidence of insurability. Go from 2x to 1x but can buy up w/o evidence of insurability. If you already have 4 times you drop down to 3 but can buy additional 4 at your cost. FB read language he created. This discussion was brought into our discussion at HIC yesterday. Policy ends 4/1. Have to go out to bid for that product according to purchasing rules. The rate is expected to increase. Hope to avoid 2 enrollments. May be switching carriers and have to update beneficiary forms, so effective 4/1, anniversary date. Appreciate administrator's consideration for doing that.

Scott - \$300,000 cap under current policy?

Bruce – \$300,000 doesn't include 1st x pay?

Forrest – correct.

Conversation around word 'additional' in \$300,000

Bruce – annual earnings means what?

Forrest – referred to policy. 1 x annual earnings is language they use. Not sure if it's defined, but he can check.

Bruce – if potential for different company, there is potential for different definition.

Forrest – Needs to read the policy for info purposes. Annual rate of earnings from employer. To answer your question about what if something changes – can address in RFP, have in past. Some circumstances need to carry forward otherwise will not be accepted.

Scott – We can box them in in RFP. Have some control there.

Bruce – Not sure. Clarity in bargaining and what it means.

Scott – Whatever comes out in bargaining is what we can make expectations.

Bruce – Employees hired after 4/1 – no option to purchase anything else. 2nd paragraph applies to employees before 4/1. All it says is it will be reduced from 2 to 1. Doesn't say anything about other insurance they may purchase. Reading it new people can buy up to 4 times, current have option of only buying the one they have been reduced.

FB – Current employees can still buy additional insurance at any time. They can buy an additional 2x but would be subject to evidence of insurability.

Bruce – Some have more than 2x.

Scott – Some people buy 3x or 4x.

Forrest – Whatever you have now will not change; it's just who's paying for it.

Bruce – Don't agree.

FB – carrier allowing us to do this. Employee can buy what board is not paying for. Carrier said ‘yes – the district can take one level of salary away as benefit and the employee can go buy up to what they had.’ That’s the insurance company’s commitment.

Bruce – They may not be the company as of 4/1. That’s much clearer than what’s written here.

Scott – Nothing in annual earnings is intended to be different than current contract language. We can tweak that.

Bruce – Do we have current costs?

Forest – Handed out last time.

Scott – Anything else? We’ll go back and wordsmith.

Bruce – Reason hasn’t come from insurance company. Is this a budgetary issue?

Scott – Yes, except to the extent that we’re anticipating a rate increase.

Scott – Virtual schools. Waiting for one level of feedback before providing a response. Think we’re looking good. Needs clarification on one little bit.

Scott asked Bruce if the information provided in the request for information (RFI) was sufficient.

Bruce – sufficient for me to have info on people currently in bargaining unit, yes

Scott – discussion about implementation of new eval system & portions from 736. Anything to bring as to what we believe impacts are?

Bruce – IPAS hasn’t met yet to discuss what goes to bargaining. Upcoming meeting scheduled to discuss that.

Scott – what else?

Bruce distributed teacher and para salary info.

Bruce – data based on info requested. Appears to be cost saving of \$8.2 million based on reduction in positions and attrition. Don’t know how many positions will be filled. 159 positions. 49 positions posted at time data was received. 110 fewer positions. Didn’t add in half time, 11 month or hourly employees.

Summary data from other spreadsheets.

Paras – difference of \$887,000 in cost.

Page 3 – History of salary in district. Board proposal would set back salaries to ‘06-’07 level.

Joe – Does that step include a person at top?

Bruce – They don’t get a step.

Joe – I know.

Bruce – No, and they’re getting tired of it! Page 3 – money that will not be going into community any longer. Life insurance and health care not included. Money not available to be spent. Tallying up - \$1000 less for paras to spend, \$3000 for teachers.

Joe – asked clarifying question about numbers of teachers. Asked about postings.

Bruce – have numbers – don’t know what will or will not be filled because it may be filled internally. Data I have is 49 posted positions but have not been released. 49 is not in 2556 if they’re filled. If not filled by internal people. In reality that may reduce 8,000,000 but if external people are hired on A/C schedule the average salary may be reduced even further.

Scott – This shows the hit bargaining unit members are going to take. What else are you proposing from this data? We can scrutinize this, and verify. What takeaway should we have from this?

Bruce - 2.75 pay reduction and 3 furlough days – is this necessary? It’s extremely difficult to agree to board’s proposal because no data is supporting that. Can’t sell to employees and expect ratification.

Scott – what we’re proposing is part of larger budgetary package. Budget’s not ready yet. Would it help if the board started communicating and recognizing that employees have taken a cut?

Bruce - No justification other than board members want it.

Scott – Are you talking about the \$3 million?

Bruce – Yes.

Scott - Open board sessions – board has requested that.

Bruce - Prior to Office of Insurance Regulation (OIR) saying plan was approved.

Scott – The board’s interest is in reducing the deficit. Some board members suggested doing it in a single year.

Bruce – This will get us out in a single year. Offensive that board would take credit for reducing deficit by taking \$3 million away from employees.

Scott – We’ll take a look at these numbers.

Bruce – I guess it would be just as good to say what the actuals are. What was actually spent? What was budgeted and what was spent?

Scott – OK. We’ll consider this. Any other issues or new information?

Bruce – Asked for 20 minute caucus. Caucus at 5:44. Reconvened at 6:04.

Bruce – Not ready for proposals surrounding 736. Want to see budget and AFR.

Drake – That information will be available 9/1 or 9/2.

Scott – Drake acknowledged value of furlough days. 1.53. He will let superintendent know so it can be rectified in budget.

Bruce – There was another question about total amount of money of paras in that document as well.

Scott – Total amount of money attributable to . . .

Bruce – \$150,000 I believe it said. How does that equate to 3 days?

Scott – I see.

Bruce - What is ‘actual’ dollars? Is intent to reduce 3 days or 1.58%?

Scott – OK.

Bruce – Furlough, not considering vacancies filled, = \$63,000 per day

Scott – OK. Scott will get breakdown on that.

Bruce – Will life insurance be changed for final budget?

Drake – Yes. Today was the first he had heard of this change. He said he would get with Forrest about 4/1.

Scott – We can supply that to you. Aside from 736, anything else tonight?

Bruce – No, not tonight.

Scott – OK. Thanks.

Bruce - Still scheduled for 8/23.

Scott – Yes.

Scott introduced Mike Pendley, Exec. Director of Planning. Been with district for 13 years. Has been to FEN conferences.

Adjourned at 6:10.