

12/03/18

The Board of Education of Arbor Park School District No. 145 is issuing this statement to provide an update about the status of negotiations with the Arbor Park Education Association, IEA-NEA ("APEA").

Negotiations Summary

The Board and APEA representatives first met to begin negotiating a new collective bargaining agreement in February 2018. From February through May 2018, the Board participated in 11 meetings with the APEA and worked diligently on the terms of a new contract.

The Board communicated to the APEA its desire and availability to meet throughout the summer months. The APEA agreed to meet for only two dates in June 2018. The APEA would not consider meeting in July or August 2018 for personal reasons.

A collective bargaining agreement was in effect at the beginning of the 2018-2019 school year. That agreement expired on August 31, 2018. The Board and APEA reconvened its meetings to negotiate a new contract on September 5 and 10, 2018. On September 10, 2018, the APEA requested to participate in mediation and the Board agreed.

The parties were assigned a mediator through the Federal Mediation and Conciliation Service, which is an independent agency that provides assistance in collective bargaining negotiations at no cost to the parties. The mediator contacted the parties to schedule mediation dates on September 26, 2018. The Board offered to pay for substitute teachers so those APEA representatives who work in the District could participate in mediation during the school day. The Board provided numerous dates they were available in October 2018. The APEA UniServ Director initially stated they were available on 3 dates in October. However, a day later the mediator informed the Board that the APEA responded they were available only 1 date in October during times that the Board representatives had already indicated they had conflicts. Because of the APEA's refusal to consider alternate dates in October, the parties agreed upon 2 dates in November 2018 for mediation.

On November 8, 2018, the Board and APEA participated in the first mediation session.

On November 13, 2018, the parties participated in the second mediation session and the Board and APEA representatives executed tentative agreements ("T.A.s") that resolved all outstanding contract issues.

On November 19, 2018, the APEA President informed the Board that the APEA membership voted down the tentative agreement.

Summary of Board's Last Proposal

The following is a summary of the offer made by the Board through the tentative agreements, which were voted down by the APEA membership.

A. Contract Duration

The Board proposed a new 4-year contract for the 2018-2019, 2019-2020, 2020-2021, 2021-2022 school years.

B. Compensation

1. Salary

Current Teachers:

The Board proposed that current teachers receive percentage increases in salary from the prior school year for each of the contract:

2018-2019	4.00%
2019-2020	3.50%
2020-2021	3.00%
2021-2022	3.00%

The Board's proposal results in at least a 14.20% compounded salary increase for returning teachers over the four-year contract.

Also, the Board proposed to adjust the salaries of any current teachers whose salaries would be less than the salaries of new teachers with comparable levels of education and experience.

The Board's proposed adjustments result in a range of compounded salary increases between 14.20% and 26.38% over the four-year contract.

The projected cost of the Board's proposal is \$5,204,552 for the 2018-2019 school year, which is an increase of \$295,402 over the APEA budgeted salaries for the 2018-2019 school year.

New Teachers:

The Board proposed a start salary schedule for teachers new to the District, which increases the starting salary from \$36,100 to \$40,050 (10.9% increase) for the 2018-2019 school year. The Board proposed to increase the salaries on the start schedule each subsequent year of the contract:

2018-2019	New Start Schedule
2019-2020	2.50%
2020-2021	3.00%
2021-2022	<u>3.00%</u>
	8.50% increase in the start schedule

Retroactive Pay:

Salary increases will be paid retroactively to the beginning of the 2018-2019 school year.

2. Tuition Reimbursement/Salary Increase

The Board proposed to maintain a tuition reimbursement pool and increase the amount to \$50,000 each year for all years of the contract, or a projected cost of \$200,000. This is a 25% increase from the prior contract.

The Board proposed to add an amount of \$5,000 to the salary of a teacher who obtains a master's degree or doctorate degree. This is a 25% increase from the prior contract.

3. Other Compensation/Benefits

- **Stipends**: Board proposed to add new stipends and increase all stipend amounts by the consumer price index (CPI) percentage each year of the contract. The projected cost for the four-year contract (if all stipends are filled) totals \$290,202.
- **Sick leave incentive**: Board proposed to pay teachers \$50/trimester, \$150/school year. The projected cost is \$55,800 over the four-year period.
- **Educational materials**: Board proposed to reimburse teachers \$200/school year. The projected cost is \$74,400 over the four-year period.
- **Certain extra duties**: Board proposed to pay teachers \$29.00/hour. This is a 7.4% increase from the prior contract.
- **Paid Leave Days**: Board proposed to expand use of paid sick leave days for illness or death of stepchildren, stepparents, stepsiblings, and legal guardians, and for death of extended family members. Board proposed to eliminate required explanation for use of paid personal days.

C. Insurance

1. Medical Insurance

Under the Board's proposal, teachers continue to have the option of selecting health insurance coverage under a Section 125 plan, Blue Cross Blue Shield PPO plan, Blue Cross Blue Shield HMO Illinois plan, Blue Cross Blue Shield Blue Advantage HMO plan or a Blue Cross Blue Shield HSA plan.

The Board proposed to pay 95% of the premium for single coverage, regardless of plan chosen by the teacher, for all years of the contract.

- Prior Contract - 100%
- New Contract - 95%
 - *Using current premiums, this change would result in a cost increase to staff between \$16.44 and \$21.74 per pay period.*

The Board proposed to pay 80% of the premium for spousal coverage and 75% of the premium for family coverage for teachers who select the Section 125 plan, Blue Cross Blue Shield PPO plan, Blue Cross Blue Shield HMO Illinois plan, and the Blue Cross Blue Shield HSA plan for all years of the contract.

- Prior Contract – 80% & 75%
- New Contract – 80% & 75%

The Board proposed to change the percentage paid for spousal and family coverage under the Blue Cross Blue Shield Blue Advantage HMO plan slowly to give teachers time to prepare for the cost adjustments. For spousal coverage, the Board proposed to pay 85% of the premium during the 2018-2019 school year and 80% for the remaining years of the contract. For family coverage plan, the Board proposed pay 85% of the premium during the 2018-2019 school year, 80% during the 2019-2020 school year, and 75% for the last two years of the contract.

- Prior Contract – 90% & 90%
- New Contract – 85% & 85% - 2018/19 School Year
 - *Using current premiums, this change would result in a cost increase to staff of \$30.19 for BA Employee +1 and \$45.89 for BA Family per pay period.*
- New Contract – 80% & 80% - 2019/20 School Year
 - *Using current premiums, this change would result in a cost increase to staff of \$60.38 for BA Employee +1 and \$91.78 for BA Family per pay period.*
- New Contract – 80% & 75% - 2020/21 and 2021/22 School Years
 - *Using current premiums, this change would result in a cost increase to staff of \$60.68 for BA Employee +1 and \$137.67 for BA Family per pay period.*

Medical increases to staff are retroactive to the beginning of the 2018-2019 school year.

2. Dental Insurance

Teachers also continue to have the option of selecting dental insurance coverage under a PPO plan or an HMO plan. Regardless of the plan chosen by the teacher, the Board proposed to pay 95% of the premium for single coverage, 80% of the premium for spousal coverage, and 75% of the premium for family coverage for all years of the contract.

- Prior Contract – Same as above medical %'s.
- New Contract – 95% / 80% / 75%
 - *Using current premiums, this change would result in a cost increase to staff between \$0.90 and \$14.72 per pay period for the HMO/Blue Care Plan and \$0.90 per pay period for PPO Single.*

Dental increases to staff are retroactive to the beginning of the 2018-2019 school year.

The projected 12-month cost for medical and dental insurance coverage using existing premiums is \$826,244.

D. Retirement Incentive

The Board proposed a retirement incentive program based on a recent change in State law, which will require the Board to pay penalties if a retiring teacher's salary increase exceeds 3% over the prior year salary (generally during the last 4 years of employment).

The Board proposed to increase the teacher's salary by 3% for the last two, three, or four years prior to retirement, based on when the teacher gives notice of retirement.

The Board also proposed to pay the retiring teacher a lump sum payment after retirement in the amount of \$8,000, regardless of whether the teacher elects to retire in two, three or four years.

The projected cost of the Board's proposal is \$201,273 (this is a composite of 3.00% salary increases and the \$8,000 lump sum payment for 12 teachers who would be 60 years old by June 2023). It is important to note that the projected cost does not include costs that the Board will continue to pay for retired teachers receiving a retirement benefits according to previous contracts.

Board's Perspective

The Board respects, values, and supports the District's teachers. The Board remains committed to and focused on achieving a positive, fair contract for the students, teachers, and District taxpayers. The Board's goals include offering a well-balanced educational program for District students and competitive compensation to its teachers, while ensuring the long-term financial stability of the District. The Board is confident that these goals are achievable and will further its mission to develop partnerships with students, staff, parents, and the community that will create a learning environment that enables all children to reach their full potential and to ensure quality and equity for all to succeed.

Given the current state of the economy and our community, the Board's commitment to increase teacher salaries by more than \$800,000 in a four-year period is significant. The Board was disappointed that the APEA membership voted down the tentative agreement but remains optimistic that an agreement may be reached soon with our valued teachers and their bargaining representative.