

Teacher
Contract
Negotiations
2014/2015

The School Board and Superintendent

- Acknowledge that our teachers are professionals who are instrumental in maintaining a quality education in Martin County.
- Understand that state mandates have created confusing changes and added many unknowns to:
 - Student assessments
 - Teacher Evaluations
 - Student Grades

Our Goals

- Support Teachers
- Ensure our students receive a quality education
- Act in a fiscally responsible manner

What we have done to date...

- Agreed to MCEA's Lesson Plan proposal
- Agreed to MCEA's \$2,100 for a Double Masters' Degree proposal
- Agreed to MCEA's anti-discrimination proposal
- Agreed to MCEA's proposal regarding BYOD
- Agreed to MCEA's Involuntary and Voluntary Transfer proposal
- Agreed to MCEA's Roster Verification proposal



Terminal Sick Pay

GOALS:

- 1) Preserve what has been accumulated
- 2) Address the \$12 million unfunded liability in accrued sick leave
- 3) Allow existing employees the opportunity to accumulate sick leave hours for terminal payout

Our thought process

- Currently, Terminal Sick Leave Payout for new employees (hired after 6/1/11) is 50% after 13 years.
- Currently, Terminal Sick Leave Payout for existing employees (hired before 6/1/11) is 100% after 13 years and 50% for 10-13 years.
- Preserve what has been accrued by our employees.
- Presenting two options – your choice.



What we have offered

- Employee must be hired before July 1, 2015 to be entitled to Terminal Sick Leave Payout.
- Cap on number of hours that will be paid. **(200 accrued hours or what is on the record 6/30/15)**
- Payout Rate is last base hourly rate.
- Employees qualifying for terminal sick leave payout must retire or resign at the end of the school year and give ninety (90) days prior notice. (The Superintendent may waive these requirements.)
- Employee is Qualified for payout after fifteen (15) years of service with MCSD.
- Payout amount is computed at 75% of qualified hours x last base hourly rate.

BOTH OPTIONS

- Employee must be hired before July 1, 2015 to be entitled to Terminal Sick Leave Payout.
- Cap on number of hours that will be paid. (200 accrued hours or what is on the record 6/30/15). This is your cap.
- Payout Rate is the last base hourly rate.
- You can preserve your accrued hours.
- *NOTE: If you fall below your cap, you can earn back to your cap.*

Two Options

OPTION A – *On the table*

- Employees qualifying for terminal sick leave payout must **retire or resign** at the end of the school year and give ninety (90) days prior notice. (The Superintendent may waive these requirements.)
- Employee is qualified for payout after **fifteen (15)** years of service with MCSD.
- Payout amount is computed at **75%** of qualified hours x last base hourly rate.

OPTION B

- Employees qualifying for terminal sick leave payout must **retire (and enter FRS)** at the end of the school year and give ninety (90) days prior notice. (The Superintendent may waive these requirements.)
- Employee is qualified for payout after **twenty five (25)** years of service with MCSD.
- Payout amount is computed at **100%** of qualified hours x last base hourly rate.

EXAMPLES

Option A – *On the Table*

13 yr. Teacher

No Payout

15 yr. Teacher, 200 hours

$200 \times \$30.00$ last base hourly rate X 75%

Payout \$4,500

15 yr. Teacher, 800 hours

$800 \times \$30.00$ last base hourly rate X 75%

Payout \$18,000

25 yr. Teacher, 200 hours

$200 \times \$40.00$ last base hourly rate X 75%

Payout \$6,000

25 yr. Teacher, 800 hours

$800 \times \$40.00$ last base hourly rate X 75%

Payout \$24,000

Option B

13 yr. Teacher

No Payout

15 yr. Teacher, 200 hours

Less than 25 years service

No Payout

15 yr. Teacher, 800 hours

Less than 25 years service

No Payout

25 yr. Teacher, 200 hours

$200 \times \$40.00$ last base hourly rate X 100%

Payout \$8,000

25 yr. Teacher, 800 hours

$800 \times \$40.00$ last base hourly rate X 100%

Payout \$32,000

What if you have not accrued any hours yet or if you have to use hours?

- We want to give you the opportunity to accrue, save and be paid for unused sick days (hours)
- You can accrue and save up to 200 hours
- That equates to 26.6 days
- If you have to use hours from your sick leave payout bucket, you can replace them to keep your balance

What can I do with unused sick days?

- First, you can replenish your bucket – back to your cap amount.
- After your bucket is full, you can accumulate hours. You will not be paid for them as Terminal Sick Pay (because your bucket is full). But, you can save them to use at a later date.

Questions ?

- **What happens if I have 726 hours now and then next year accrue 75 hours but use 175 hours leaving me with 626 hours?** *You can continue to accrue hours in the future, but will never be paid for more than 726 hours.*
- **What happens if I have 15 hours now?** *You can continue to accrue hours in the future but will never be paid for more than 200 hours.*

Employee Insurance

- Right now (July 2015 renewal) we have the ability to offer every employee full medical insurance using the District's offer of a flat amount not to exceed \$6,500 with minimal employee contribution

\$1.6 million savings

- Cost of HMO 47: \$237.60 or \$9.90/paycheck
 - This is a \$688.00 savings for a current HMO 55 participant (**\$925.68** - \$237.60)
- Cost of HMO 55: **\$1,164.40** or \$48.52/pay check
- If you agree to eliminate the Cadillac Plan (HMO 55) by **MARCH 11th**, we will agree to offer a flat rate not to exceed \$6,750.

This reduces the \$1.6 million savings to \$1.03 million

- By bidding insurance using a flat amount, with no percentage split for premium increases, insurance companies are on notice as to what the District is willing to spend – our 'skin in the game'

School Districts are moving in this direction

- Palm Beach County - \$5,700 - \$6,300 flat amount
- Saint Lucie County – \$6,010 and no ‘Cadillac Plan’
- Indian River County - \$4,860 flat amount
- Okeechobee County –
 - 100% of Plan 1 - \$6,490.00
 - 85.4% of Plan 2 - \$6,858.00
 - 67.7% of Plan 3 - \$5,716.00

Our Proposal : \$6,500-\$6,750 flat amount



Retiree Insurance

We understand retirees need coverage they can count on

- Retirees 65 and older are Medicare eligible
 - We are offering the ability to obtain a GAP Plan
 - Enables retirees to purchase affordable insurance
 - MCSD has 'skin in the game' by adding a MCSD Health Insurance Subsidy (MCSD HIS)
- Retirees younger than 65 and thus not yet Medicare eligible
 - Are grandfathered under the District's flat amount contribution plan until they become Medicare eligible
 - Upon reaching Medicare eligibility, they will also receive MCSD HIS

Retiree Insurance

Already retired and **under the age of 65** and having worked:

15 yrs...District pays 25%

25 yrs...District pays 75%

20 yrs...District pays 50%

30 yrs...District pays 100%

Upon reaching 65 with 15+ years in the district, retiree receives a \$5/month MCSD HIS in addition to the FRS HIS.

Example: Retiree reaches 65 having worked 23 years

$23 \times \$5 = \115 MCSD HIS + $\$115$ FRS HIS for a total of \$230 in Subsidies to purchase a Medicare GAP Plan.



Retiree Insurance

- For current employees younger than 65 but anticipating retirement, the District will contribute toward single health insurance coverage:
 - 25 years of service.....75%
 - 30 years of service.....100%
- Upon reaching Medicare eligibility, the above contribution would stop and convert to the MCSD HIS.
 - 25 years of service.....MCSD HIS: $\$5.00 \times 25 = \$125/\text{month} + \text{FRS HIS}$
 - 30 years of service.....MCSD HIS: $\$5.00 \times 30 = \$150/\text{month} + \text{FRS HIS}$

Anticipated Savings

\$2.6 - \$3.4 million

- Terminal Sick Leave Pay Out
 - Option A – Saves **\$275,000**
 - Option B – Saves **\$395,000**
- Retiree Insurance
 - Saves \$900,000**
- Employee Insurance
 - Saves \$1.06 – 1.6 million**
- Elimination of Retirement Supplement
 - Saves \$355,000 - \$500,000**

Savings Distribution

of the \$2.6 million

Employees

\$1.58 million (60%) for employees

- Teachers comprise 58% of the workforce
- 58% to teachers (\$920K)
- Flat amount \$700
- Level One Teachers: Salary increase from \$37,300 to \$37,500 and a \$500 one time bonus
- All other Teachers: \$700 one time bonus

Unassigned Fund Balance

\$980,000 (40%) to restore fund balance to 4%

- MCSD'S current unassigned fund balance is 3.3%
- School Board Policy specifies a goal of 5% unassigned fund balance
- Under Florida law, if the fund balance drops below 3% of revenues, the state must be notified

Unassigned Fund Balance

Other Districts?

- Saint Johns – 18.9%
Top Rated Florida School District
- Okeechobee – 13.5%
- Indian River – 8.22%
- Saint Lucie – 6.55%
- Palm Beach – 5.33%
- Martin – 3.3% (current)

Why now?

- MCSD has a \$70.4 million unfunded OPEB liability
- MCSD has a \$12.2 million unfunded liability in sick leave terminal pay outs
- MCSD spends \$15.8 million each year on employee insurance and \$2.5 million annually on retiree insurance

The Budget and You

- March 30, 2015 – Workshop
- April 7, 2015 - Workshop
- April 28, 2015 - Workshop
- May 5, 2015 - Workshop
- May 28, 2015 - Workshop
- June 2, 2015 - Workshop
- June 25, 2015 - Workshop
- **TRIM (Truth In Millage) Clock begins on July 1, 2015**
- July 23, 2015 – Meeting to approve Superintendent's proposed budget for advertisement
- July 30, 2015 – Special meeting/hearing to adopt tentative millage and budget
- September 8, 2015 – Special meeting/hearing to adopt final millage and budget.