

November 25, 2018

Statement from District 211 Regarding Latest Contract Proposal from the Board of Education

After nearly a year of negotiating with the Northwest Suburban Teacher's Union Local 1211, the Township High School District 211 Board of Education requested the assistance of a federal mediator. After two months of assistance from the federal mediator and persistent, conscientious effort from the Board's negotiating team, the parties have been unable to reach an agreement and the Union has rejected the Board's latest generous, good-faith proposal.

The Union recently announced that they intend to hold an open town hall meeting in the auditorium at Palatine High School on Thursday, November 29 at 7:00 p.m. to hear from the public.

This document details important facts about the latest proposal offered by the Board of Education, includes some of the Union's many demands, and provides facts about numerous existing benefits and forms of compensation already agreed upon and provided to members of the Union.

Importantly, while negotiations are ongoing, teachers continue to be paid as they were under the previous Agreement, the District continues to provide health, dental and life insurance, and to make pension contributions as it had under the previous Agreement, and the language of the previous Agreement continues to control the interactions between the District and Union members. The Board will continue to abide by the previous Agreement until a new Agreement is reached, and the Board has agreed that salary increases that result from a new Agreement will be applied retroactively to July 1, 2018.

The Board's Salary Offer

Prior to reviewing the parties' specific offers, it is helpful to describe the terminology used in discussing and understanding salary increases.

- The District salary schedule is comprised of individual cells arranged in horizontal rows referred to as "steps" and vertical columns referred to as "lanes" (commensurate with one's level of educational attainment).
- A base raise is an increase in the dollar amounts in the individual cells on the salary schedule.
- A step raise occurs when a member advances one row down on the salary schedule, usually because he or she has returned for another year of service to the District. The percentage of salary increase when an individual moves from one step to the next step varies, but the average value of the "step increase" within the salary schedule is 3.7%.
- Once a member reaches the top step on the salary schedule, defined steps with designated salary amounts no longer exist and the individual is considered to be "off-schedule" and receives a flat percentage raise that is a negotiated amount within the contract.

November 25, 2018

The salary increase offered by the Board of Education within the latest proposal is as follows:

For the 2018-2019 school year, base raises for all employees will be 2%. (Remember that employees who are on the salary schedule will also receive a step increase averaging 3.7%, and when combined with the proposed 2% base increase, will result in an average one-year increase of 5.7%).

For the remaining three years of the Agreement, employees who are on schedule will receive a base increase equal to 75% of the rolling average of the previous ten years' Consumer Price Index for All Urban Consumers (CPI-U). For example, for the 2019-2020 school year, the average of the CPI-U figures will include the following: 2009 (2.7%); 2010 (1.5%); 2011 (3.0%); 2012 (1.7%); 2013 (1.5%); 2014 (0.8%); 2015 (0.7%); 2016 (2.1%); 2017 (2.1%); and 2018 (to be released in January 2019).

Employees who are off-schedule will receive an increase equal to 100% of the rolling average of the previous ten years' CPI-U.

The Union has rejected the salary offer from the Board and has demanded that all employees receive a 2% base salary raise for 2018-2019 and then a base salary raise equal to 100% of the CPI for the remaining three years of the Agreement.

As noted previously, in addition to the base salary increase, an individual's overall salary would also increase by the step increase, which averages 3.7%.

Understanding the Difference Between the Board's Proposal and the Union's Salary Demand

It is important that the public understand the difference between the Board's salary proposal and the salary demand made by the Union. To help understand these differences, the reader is referred to the chart at the end of this document labeled **Impact of Parties' Salary Proposals for an Individual Teacher**. The calculations have been computed according to the existing step schedule already in place and that will continue in the next contract.

The Consumer Price Index (CPI) is referenced in both proposals. It is impossible to know the exact rate of CPI for 2019, 2020, or 2021 until the U.S. government officially releases these amounts, typically in January following the end of the calendar year. For example, the official rate of CPI for 2018 will be released in January 2019. The rate of CPI for both 2016 and 2017 has been 2.1%.

Both parties propose an increase of 2% for the first year of the contract, which is the current 2018-2019 school year. For the second year of the contract, the Board assumes a 2018 year-end CPI of 2.4%.

To project future salary increases based on unknown rates of CPI, we have prepared calculations based on three different scenarios for the last two years of the four-year contract period: a) CPI of 1%; b) CPI of 2%; and c) CPI of 3%.

The Board's proposed salary increases that the Union rejected are listed in the left column in the beige-shaded area and the increases demanded by the Union are listed in the columns on the right side of the page in the green-shaded area.

November 25, 2018

For the example provided below, we assume a 2% CPI, referenced by a red circle on the chart at the end of this document. One would read the salary charts as follows:

For a teacher with one year of experience who begins the four-year contract in the Bachelor's salary lane, the teacher's salary will increase 25.5% over the life of the four-year contract according to the Board's proposal.

The Union rejects this offer and demands that a teacher with one year of experience who begins the four-year contract in the Bachelor's salary lane should receive a salary increase of 27.9% over the life of the four-year contract.

When examining the chart of salary increases, the last two salary groups are considered "off-schedule," meaning that individuals with 19 or more years of experience no longer have a year-to-year "step increase."

Assuming a CPI rate of 2%, within the Board's proposal, the teacher earns a salary of \$138,517. The Union rejects this offer and demands that the top salary should be \$139,799, shown in the red circles at the bottom of the chart.

These amounts refer only to the teacher's salary for his or her individual teaching assignment and do not include any additional stipends or extra forms of compensation, such as compensation earned for coaching, sponsoring a club, being a department chair, or chaperoning. The list of additional forms of compensation is extensive and can substantially increase an individual teacher's total compensation.

A teacher's retirement incentives and yearly guaranteed, lifetime retirement amount is calculated according to a percentage of **ALL** forms of compensation and not just the salary amount that is displayed in the chart.

Information Regarding Union Health Insurance Benefits

Any individual in the Union can participate in one of five health insurance plans. The cost of the premium paid by employee is substantially reduced if an individual qualifies for a "wellness incentive" by having a routine blood test. For an employee opting for individual coverage, the wellness incentive reduces the annual premium cost by \$688.80, and for an employee opting for family coverage, the wellness incentive reduces the annual premium cost by \$1858.50.

The following chart reports the actual yearly premium amount paid by the individual Union member opting for either individual coverage or family coverage during both the 2017-2018 and 2018-2019 school years when including the wellness incentive in the calculation:

November 25, 2018

	Total Yearly Premium Paid by Employee for Individual Coverage	Total Yearly Premium Paid by Employee for Family Coverage
HMO	\$3.17	\$9.92
HSA	\$60.30	\$1175.40
PPO300	\$1324.53	\$6024.28
PPO500	\$597.79	\$3699.59
PPO750	\$120.75	\$1420.21

Retirement: Lifetime Annual Pension

Teachers and other ISBE-licensed staff members participate in the Teachers Retirement System (TRS). Upon meeting certain eligibility criteria, a teacher will receive a lifetime pension annuity equal to 75% of the average of the four highest total annual earnings within the last 10 years. Once a retiree is 61 years-old, the individual then also qualifies for an automatic annual increase in their annuity of 3% relative to the previous year's amount.

Union Demands Higher Tuition Reimbursement

In the existing contract, teachers and other ISBE-licensed staff members in the Union receive 100% tuition reimbursement for graduate school hours paid by the District. Teachers advance along the salary schedule and increase their yearly salary amount according to graduate degrees and additional graduate school credit hours, in addition to the automatic increase provided for each year of experience.

The Board's most recent proposal offers 75% reimbursement per graduate school credit hour. The Union rejects the Board's offer and demands that this amount be increased to 80% reimbursement.

Chart Showing Impact of Parties' Salary Proposals for Individual Teachers

The following chart displays the annual salary increases over the span of the four-year contract. The left-hand column conveys the latest proposal from the Board of Education which was rejected by the Union. The Union's latest demand is provided in the column on the right, in the green.

SALARY INCREASES ON SALARY SCHEDULE BASED ON LAST FORMAL PROPOSAL FROM BOARD OF EDUCATION AND REJECTED BY THE UNION												
Teacher Salary Increases over Four-Year Period of Contract												
BOARD OF EDUCATION PROPOSAL						UNION DEMAND UPON REJECTING BOARD'S PROPOSAL						
CPI Scenarios (Projecting 2.4% for 2018/ 2019-2021)						CPI Scenarios (Projecting 2.4% for 2018/ 2019-2021)						
Starting Position on Salary Schedule (Lane-Step)						Starting Position on Salary Schedule (Lane-Step)						
		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%			Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%			
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			
BA- 1 Year of Experience						BA-1 Year of Experience						
2018-2019	56,544	56,544	56,544	56,544	56,544	2018-2019	56,544	56,544	56,544	56,544	56,544	
2019-2020	60,060	60,060	60,060	60,060	60,060	2019-2020	60,658	60,658	60,658	60,658	60,658	
2020-2021	63,720	63,770	63,814	63,814	63,814	2020-2021	64,189	64,825	65,460	65,460	65,460	
2021-2022	67,434	67,587	67,734	67,734	67,734	2021-2022	67,783	69,132	70,494	70,494	70,494	
Total 4-Year Increase (\$)	\$ 14,639	\$ 14,792	\$ 14,939	\$ 14,939	\$ 14,939	Total 4-Year Increase (\$)	\$ 14,988	\$ 16,337	\$ 17,699	\$ 17,699	\$ 17,699	
Total 4-Year Increase (%)	25.2%	25.5%	25.7%	25.7%	25.7%	Total 4-Year Increase (%)	25.8%	27.9%	30.0%	30.0%	30.0%	
BA-4 Years Experience						BA-4 Years Experience						
2018-2019	64,890	64,890	64,890	64,890	64,890	2018-2019	64,890	64,890	64,890	64,890	64,890	
2019-2020	68,659	68,659	68,659	68,659	68,659	2019-2020	69,343	69,343	69,343	69,343	69,343	
2020-2021	71,266	71,322	71,371	71,371	71,371	2020-2021	71,791	72,502	73,212	73,212	73,212	
2021-2022	73,898	74,066	74,227	74,227	74,227	2021-2022	74,281	75,759	77,252	77,252	77,252	
Total 4-Year Increase (\$)	\$ 13,051	\$ 13,219	\$ 13,380	\$ 13,380	\$ 13,380	Total 4-Year Increase (\$)	\$ 13,434	\$ 14,912	\$ 16,405	\$ 16,405	\$ 16,405	
Total 4-Year Increase (%)	19.9%	20.2%	20.4%	20.4%	20.4%	Total 4-Year Increase (%)	20.5%	22.6%	24.6%	24.6%	24.6%	
MA-1 Year of Experience						MA-1 Year of Experience						
2018-2019	62,064	62,064	62,064	62,064	62,064	2018-2019	62,064	62,064	62,064	62,064	62,064	
2019-2020	65,792	65,792	65,792	65,792	65,792	2019-2020	66,448	66,448	66,448	66,448	66,448	
2020-2021	69,801	69,856	69,904	69,904	69,904	2020-2021	70,315	71,011	71,707	71,707	71,707	
2021-2022	73,870	74,038	74,199	74,199	74,199	2021-2022	74,253	75,731	77,223	77,223	77,223	
Total 4-Year Increase (\$)	\$ 15,795	\$ 15,963	\$ 16,124	\$ 16,124	\$ 16,124	Total 4-Year Increase (\$)	\$ 16,178	\$ 17,656	\$ 19,148	\$ 19,148	\$ 19,148	
Total 4-Year Increase (%)	24.8%	25.0%	25.3%	25.3%	25.3%	Total 4-Year Increase (%)	25.4%	27.4%	29.5%	29.5%	29.5%	
MA-8 Years Experience						MA-8 Years Experience						
2018-2019	83,470	83,470	83,470	83,470	83,470	2018-2019	83,470	83,470	83,470	83,470	83,470	
2019-2020	87,769	87,769	87,769	87,769	87,769	2019-2020	88,643	88,643	88,643	88,643	88,643	
2020-2021	92,054	92,127	92,190	92,190	92,190	2020-2021	92,732	93,650	94,568	94,568	94,568	
2021-2022	96,395	96,614	96,824	96,824	96,824	2021-2022	96,894	98,822	100,770	100,770	100,770	
Total 4-Year Increase (\$)	\$ 17,598	\$ 17,817	\$ 18,027	\$ 18,027	\$ 18,027	Total 4-Year Increase (\$)	\$ 18,097	\$ 20,025	\$ 21,973	\$ 21,973	\$ 21,973	
Total 4-Year Increase (%)	20.7%	20.9%	21.1%	21.1%	21.1%	Total 4-Year Increase (%)	21.2%	23.3%	25.4%	25.4%	25.4%	
MA-15 Years Experience						MA-15 Years Experience						
2018-2019	105,145	105,145	105,145	105,145	105,145	2018-2019	105,145	105,145	105,145	105,145	105,145	
2019-2020	109,746	109,746	109,746	109,746	109,746	2019-2020	110,839	110,839	110,839	110,839	110,839	
2020-2021	114,307	114,397	114,476	114,476	114,476	2020-2021	115,149	116,289	117,429	117,429	117,429	
2021-2022	120,935	121,210	121,473	121,473	121,473	2021-2022	121,561	123,980	126,423	126,423	126,423	
Total 4-Year Increase (\$)	\$ 20,888	\$ 21,163	\$ 21,426	\$ 21,426	\$ 21,426	Total 4-Year Increase (\$)	\$ 21,514	\$ 23,933	\$ 26,376	\$ 26,376	\$ 26,376	
Total 4-Year Increase (%)	19.4%	19.7%	19.9%	19.9%	19.9%	Total 4-Year Increase (%)	20.0%	22.0%	24.1%	24.1%	24.1%	
MA+30 Graduate Hours With 8 Years Experience						MA+30 Graduate Hours With 8 Years Experience						
2018-2019	89,662	89,662	89,662	89,662	89,662	2018-2019	89,662	89,662	89,662	89,662	89,662	
2019-2020	94,048	94,048	94,048	94,048	94,048	2019-2020	94,985	94,985	94,985	94,985	94,985	
2020-2021	98,412	98,490	98,558	98,558	98,558	2020-2021	99,138	100,119	101,101	101,101	101,101	
2021-2022	102,830	103,064	103,228	103,228	103,228	2021-2022	103,363	105,420	107,497	107,497	107,497	
Total 4-Year Increase (\$)	\$ 17,962	\$ 18,196	\$ 18,360	\$ 18,360	\$ 18,360	Total 4-Year Increase (\$)	\$ 18,495	\$ 20,552	\$ 22,629	\$ 22,629	\$ 22,629	
Total 4-Year Increase (%)	19.7%	19.9%	20.1%	20.1%	20.1%	Total 4-Year Increase (%)	20.2%	22.3%	24.4%	24.4%	24.4%	

Continuation of the chart follows:

SALARY INCREASES ON SALARY SCHEDULE BASED ON LAST FORMAL PROPOSAL FROM BOARD OF EDUCATION AND REJECTED BY THE UNION												
Teacher Salary Increases over Four-Year Period of Contract												
<u>BOARD OF EDUCATION PROPOSAL</u>						<u>UNION DEMAND UPON REJECTING BOARD'S PROPOSAL</u>						
CPI Scenarios (Projecting 2.4% for 2018/ 2019-2021)						CPI Scenarios (Projecting 2.4% for 2018/ 2019-2021)						
Starting Position on Salary Schedule (Lane-Step)						Starting Position on Salary Schedule (Lane-Step)						
MA+30 Graduate Hours With 15 Years Experience		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%								
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%	MA+30 Graduate Hours With 15 Years Experience		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%			
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			
2018-2019		111,337	111,337	111,337	2018-2019		111,337	111,337	111,337			
2019-2020		116,024	116,024	116,024	2019-2020		117,180	117,180	117,180			
2020-2021		120,666	120,761	120,844	2020-2021		121,555	122,758	123,962			
2021-2022		128,315	128,607	128,886	2021-2022		128,980	131,547	134,139			
Total 4-Year Increase (\$)		\$ 22,196	\$ 22,488	\$ 22,767	Total 4-Year Increase (\$)		\$ 22,861	\$ 25,428	\$ 28,020			
Total 4-Year Increase (%)		19.5%	19.7%	19.9%	Total 4-Year Increase (%)		20.0%	22.1%	24.2%			
MA+30 Graduate Hours With 17 Years Experience		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%								
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%	MA+30 Graduate Hours With 17 Years Experience		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%			
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			
2018-2019		117,531	117,531	117,531	2018-2019		117,531	117,531	117,531			
2019-2020		125,191	125,191	125,191	2019-2020		126,438	126,438	126,438			
2020-2021		129,332	129,435	129,524	2020-2021		130,285	131,575	132,865			
2021-2022		132,584	132,976	133,368	2021-2022		131,588	134,207	136,851			
Total 4-Year Increase (\$)		\$ 20,394	\$ 20,786	\$ 21,178	Total 4-Year Increase (\$)		\$ 19,398	\$ 22,017	\$ 24,661			
Total 4-Year Increase (%)		17.1%	17.4%	17.7%	Total 4-Year Increase (%)		16.4%	18.4%	20.4%			
MA+30 Graduate Hours With 20 Years Experience		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%								
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%	MA+30 Graduate Hours With 20 Years Experience		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%			
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			
2018-2019		125,972	125,972	125,972	2018-2019		125,972	125,972	125,972			
2019-2020		128,303	128,303	128,303	2019-2020		128,995	128,995	128,995			
2020-2021		130,458	130,586	130,715	2020-2021		130,285	131,575	132,865			
2021-2022		132,584	132,976	133,368	2021-2022		131,588	134,207	136,851			
Total 4-Year Increase (\$)		\$ 7,786	\$ 8,178	\$ 8,570	Total 4-Year Increase (\$)		\$ 6,790	\$ 9,409	\$ 12,053			
Total 4-Year Increase (%)		6.1%	6.4%	6.7%	Total 4-Year Increase (%)		5.3%	7.3%	9.3%			
MA+30+12 Graduate Hrs With 25 Years Experience		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%								
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%	MA+30+12 Graduate Hrs With 25 Years Experience		Scenario 1: CPI 1%	Scenario 2: CPI 2%	Scenario 3: CPI 3%			
		2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			2.4%/ 1%	2.4%/ 2%	2.4%/ 3%			
2018-2019		131,221	131,221	131,221	2018-2019		131,221	131,221	131,221			
2019-2020		133,649	133,649	133,649	2019-2020		134,370	134,370	134,370			
2020-2021		135,894	136,027	136,161	2020-2021		135,714	137,058	138,401			
2021-2022		138,109	138,517	138,925	2021-2022		137,071	139,799	142,553			
Total 4-Year Increase (\$)		\$ 8,110	\$ 8,518	\$ 8,926	Total 4-Year Increase (\$)		\$ 7,072	\$ 9,800	\$ 12,554			
Total 4-Year Increase (%)		6.1%	6.4%	6.7%	Total 4-Year Increase (%)		5.3%	7.3%	9.3%			