

Instructional Unit Economic Proposal 2014 - 2015

Education funding for all school districts was increased slightly during the 2014 Legislative Session as the state continues to recover from the five-year economic recession. The 2014-2015 school year is the year that Senate Bill 736 requires all teachers on Annual Contract (AC) earn salary increases based upon performance ratings. SB 736 further dictates the ranges and criteria for such increases and requires that the increases be greater for teachers on AC than for those teachers who have Professional Services (PSC) or Continuing Contracts (CC), which provide certain due process rights and employment security. Therefore, in light of these circumstances, the District and Union have agreed to the following economic components:

1. Salaries

a) Salary Schedule:

The District's salary schedule (#55) will be adjusted to reflect the level of compensation teachers newly hired to the District will receive. Subsequent to initial placement on this schedule, teachers' compensation will be adjusted annually, based on state funding and negotiations.

b) Salary Increase – the District will provide \$10,578,921 to the Instructional Unit to equal a 5 percent increase. Teachers' salaries will be increased according to the terms below.

- 1. Cost of Living Adjustment of 2.5 percent increase per teacher; \$5,289,460
Such an adjustment shall become a permanent component of a teacher's salary.

2. Salary Plan Improvements:

\$1,252 increase (1 share) for teachers on Professional Services (PSC) or Continuing Contract (CC).	\$3,825,592
\$1,252 increase (1share) for teachers on State-Mandated Performance Pay Plan who were issued a rating of "Developing" during the 2013-14 year.	\$23,788
\$1,315 increase (1.05 share) for teachers on State-Mandated Performance Pay Plan who were issued a rating of "Effective" during the 2013-14 year.	\$1,364,970
\$1,753 increase (1.40 share) for teachers on State-Mandated Performance Pay Plan who were issued a rating of Highly-Effective during the 2013-14 year.	\$ 75,379

** The above figures were calculated using data from the District HR Dept. dated 10/01/14. The District and Union will adjust the specific increases to match current demographic data.

- c) Schedule will be increased by 5% for the 2014-2015 school year for an total increase of \$194,246.
- d) By November 1, 2014, The Board shall process all salary increases and provide teachers with a statement reflecting each teacher's new annualized and biweekly salary for the 2014-2015 school year and any supplements. The Superintendent and the Union shall mutually determine the format of the statement.
- e) The intent of this proposal is to ensure teacher salaries are increased according to the proper negotiated amounts. Should there be any deviations during implementation, the Board and the Union are authorized to correct these deviations. In addition, should the District's budgetary status improve during the 2014-2015 school year or if the total negotiated salary amounts are not expended, the Board and the Union agree to meet to examine the possibility of compensation improvement.
- f) Senate Bill 736 allows a teacher who has a PSC or CC to move to the Performance Pay Plan if such teacher is willing to permanently relinquish his/her PSC or CC and all of the rights associated with such a contract. Any teacher who has a PSC or CC who wishes to move to the Performance Pay Plan must sign a Contract Status Conversion Acknowledgement form indicating his/her decision to move to the Performance Pay Plan and understanding the terms and conditions of such a move. The Board and Union will work together to develop the form.

2. Additional Compensation for Secondary Teachers Providing an Additional Period of Instruction.

The practice of providing an additional .2 salary rate (20% of base pay) to secondary teachers who agree to provide an additional period of instruction beyond what is expected of other teachers at his/her school will be reinstated and will include teachers at Marchman TEC and Moore-Mickens EC.

3. **Fingerprint Retention Fees:**

The Board will continue to pay the fingerprint retention fee for teachers, estimated to be \$42,500 for the 2014 - 2015 school year.

4. **Fringe Benefits**

The Board agrees to contribute *\$6,255.44 (an increase of \$219.08)* per eligible employee, toward the cost of the health insurance benefit package for the 2015 insurance plan year. The Board's contribution will be used to pay those premiums associated with the fully-insured benefits contained in the health insurance benefit package, to pay all claims and administrative costs incurred and associated with the self-insured benefits contained in the health insurance benefit package.

Should there be any surplus once the District has set aside funds to pay all fully insured premiums, all self-insured incurred claims, all administrative costs associated with the health insurance benefits package, pay all self-insured claims and fund the insurance reserve account to the level identified by the District Insurance Committee, then such surplus will be applied towards the insurance costs and/or reserve for the 2015 plan year. Should increases in costs for the products and services contained in the health insurance benefit package require an additional District contribution in excess of the operating dollars budgeted for the 2014 benefit year, the Board and the Union will meet to decide how to balance any such deficit.

In addition, the alternative "opt-out" program shall be provided to bargaining unit members with existing coverage who do not choose one of the Board-approved health insurance plans. The amount of this "opt-out" will be \$1,200.

Effective with the 2013-2014 school year, employees receiving the District's health insurance benefit package who terminate employment after working through the final day of his/her respective work calendar shall continue to receive Board contributions towards his/her health insurance benefit package through the end of August of that plan year.

To maintain quality healthcare coverage by Board-provided insurance plan designs, each year the Board will budget an amount that realistically anticipates future plan cost increases. The District Insurance Committee shall provide the Board with an anticipated percentage increase by June 1.

For the Board

Date

For the Union

Date