



**GENEVA COMMUNITY  
UNIT SCHOOL DISTRICT 304  
A TRADITION OF EXCELLENCE**

**GENEVA COMMUNITY UNIT SCHOOL DISTRICT 304**

**Board of Education**

**Most Recent Offer and Cost Summary**

**October 23, 2018**

**RECEIVED**

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**ILLINOIS EDUCATIONAL LABOR  
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## **BOARD PHILOSOPHY REGARDING PAY INCREASES**

### **“A COMPETITIVE STARTING SALARY WHILE LIVING WITHIN OUR MEANS”**

The Geneva Board of Education strongly believes in, supports and respects our teaching staff. This view has been evidenced for decades by the salaries, benefits and classroom supports provided to our teachers. For years, negotiated contracts with the Geneva Education Association have included reasonable and competitive annual raises using a traditional salary schedule. The application of agreed upon raises using the traditional schedule results in lower beginning salaries with much of the annual increase being applied to the steps in the schedule. As a result, beginning salaries for our newest teachers have lagged.

The salary schedule formerly in place contained an automatic 2.65% annual increase (referred to as “the step”) for each year of experience within the District. The schedule also provided additional raises for teachers attaining graduate school hours/degrees in the range of 2.7-8.2%. Coming out of the 2008 financial crisis, new tax revenue available to the District decreased as a result of historically low inflation and less new construction. As a result of the automatic 2.65% step increase required by the former salary schedule, minimal additional money was available to increase starting salaries. Consequently, the District has lagged in starting salaries paid to new teachers, especially when compared to Kane County school districts. Raising starting salaries has been a goal of the Board of Education for many years and this most recent offer notably improves the salary for our beginning teachers within the term of this agreement.

The Board has been negotiating in good faith for a fair and equitable contract that begins to remedy this problem while reflecting a set of core beliefs regarding fiscal responsibility and teacher pay increases. The following statements reflect the beliefs which the Board feels must be

considered to maintain its long-term financial stability while seeking a more competitive starting salary:

1. Pay increases should reflect pay increases received by our community members and the general state of the economy;
2. Annual compensation should be closely tied to economic conditions and the rate of inflation as reflected in the consumer price index;
3. Pay increases should ensure the financial viability of the District and the continuing viability of our high-quality educational program for students;
4. Pay increases should make the District competitive as we seek to identify, attract and retain high quality teachers;
5. Pay increases should reasonably and fairly recognize continuing teacher educational attainment and teacher experience;
6. Pay increases should be recognized as one component of the total compensation paid to teachers. Total compensation includes salary, extra duty compensation, and health, medical, dental and life insurance benefits paid on behalf of teachers and their dependents;
7. Pay increases must avoid penalties imposed by the Illinois Teacher Retirement System for salary increases beyond those allowed by the state system.

## **NEGOTIATIONS SUMMARY**

The Board of Education and the Geneva Education Association began negotiating a new contract in February, 2018. As is typical, the parties spent much time discussing and resolving a myriad of issues concerning teacher working conditions. The former contract between the parties expired on August 15, 2018.

In August, the Association requested the use of a mediator from the Federal Mediation and Conciliation Service to assist both parties in reaching an agreement. Five sessions have been held with the assistance of a federal mediator, the latest occurring on October 18, 2018. The Board and Association have agreed to hold additional mediation sessions on October 23 and October 30, both dates set in large part based upon the availability of the assigned mediator.

Following the October 2<sup>nd</sup> mediation session, the Association invoked the Public Posting Process and issued its Notice of Intent to Strike. Offers of both parties were to be posted on the website of the Illinois Educational Labor Relations Board on October 10, 2018. The Board complied with the legal requirement of posting on October 10; the GEA did not. As a result, the Board and the GEA are now required to post their most recent offers by October 23, 2018. That website can be found at the following site:

**[www.illinois.gov/elrb/Pages/FinalOffers.aspx](http://www.illinois.gov/elrb/Pages/FinalOffers.aspx)**

The Board's most recent offer will also be posted on the District website.

## **GENEVA DISTRICT FINANCIAL CONDITION**

The Board of Education is committed to adopting a fiscally responsible annual budget. The Board works to maintain fund balances at a level adequate to pay its obligations in a prompt manner, while recognizing

unforeseen expenses or circumstances may occur. As a result of diligent fiscal management, the District has consistently been honored with the distinction of being a “Financial Recognition” District by the Illinois State Board of Education.

The District has maintained this designation despite the uncertainty of state funding, state revenue shortages, annual deficits and overall debt. The new Evidence-Based State Funding Model has resulted in minimal new state funding. Currently, local property taxes account for approximately 87% of all District revenue.

## **MOST RECENT BOARD OF EDUCATION COMPENSATION PROPOSAL**

### **1. CONTRACT DURATION**

The Board proposes a new 3-year collective bargaining agreement. The new contract would cover the 2018-19 (current), 2019-2020, and 2020-2021 school years.

### **2. HEALTH, DENTAL AND LIFE INSURANCE**

#### **A. Health Insurance**

No change in current cost sharing arrangement. Board to pay 95% of the premium for the single coverage chosen. Board to pay 60% of the premium for the family/dependent coverage chosen.

#### **B. Dental Insurance**

No change in the current cost sharing arrangement. Board to pay 100% of the premium for single dental coverage. Board to pay 50% of the premium for the family/dependent dental coverage.

### **C. Life Insurance**

No change in current benefit. Board to provide term life insurance in the amount of each teacher's current base salary, rounded up to the nearest amount of \$50,000, \$75,000, \$100,000 or \$125,000

It should be noted that, in addition to the salary proposed by the Board to be paid to every teacher, an additional annual amount in excess of an average of \$10,000 is paid by the Board for teacher life, dental and health insurance benefits. This amount can be expected to increase by approximately 5% during the second and third years of the contract.

The estimated aggregate cost of providing all of the benefits listed above is approximately \$4.6 million for 2018-19 for all covered GEA members and families/dependents. This cost will rise to over \$5 million dollars by the third year of the proposed contract, over \$11,000 per teacher. Additionally, this cost may increase based upon employee claims and the general marketplace factors in the insurance industry.

### **3. TEACHER RETIREMENT**

The Board is proposing no change in the retirement incentive program found in the recently expired contract with one exception. Recent legislation from June, 2018, compels the Board to pay a penalty when end-of-career salary increases (generally a teacher's last 4 years in the District) exceed 3%. This penalty may be as high as \$18 for every salary dollar increase exceeding 3%.

The prior contract included restrictions on end of career increases in excess of 6%, which was the prior legislative cap without penalty. The Board proposal seeks only to change the prior contract cap from 6% to the new legislative restriction of 3%.

#### **4. SALARY**

##### **A. Base Salary Increase**

The Board is proposing that every teacher receive a salary increase of \$2,050 each year of the proposed 3-year contract. As a result, every current teacher will receive a raise of \$6,150 over the life of the new contract. The resulting impact of this proposal is that the Board is increasing the current aggregate amount of teacher salaries by \$2.8 million over the life of the 3-year contract. This increase constitutes a 9% increase in salaries over the life of the new agreement across licensed teaching staff. This increase is anticipated to outpace the annual percentage increase in new property tax revenue received based upon property "tax cap" legislation restricting new revenue to the amount of the annual Consumer Price Index.

When all other elements of teacher compensation are included in the Board package (i.e. raises for educational attainment, benefits, co-curricular salaries, summer school pay, etc.) are included, the aggregate increase in dollars spent to support teachers is over \$3.8 million.

Importantly, this proposal raises the starting salary, a goal crucial to the Board, from the current amount of \$40,589 to \$46,739 by the third year of the contract. In fact, this Board offer exceeds the GEA's last offer in terms of impact on starting salary:

## PROPOSED STARTING SALARIES

	GEA OFFER: 10/18/18	BOARD OFFER: 10/23/18
2018-19	\$42,593	\$42,639
2019-20	\$43,454	\$44,689
2020-21	\$44,975	\$46,739

The Board proposal would increase the average teacher salary by over 2.8% in each year of the contract.

### **B. Recognition of Educational Attainment**

In addition to the base salary increase noted above, the Board is offering a 3% increase to any teacher who successfully completes graduate level professional development. This amount will be paid to teachers with a Bachelor's Degree who attain 8, 16 and 24 hours beyond the Bachelor's Degree. This amount will also be paid for the attainment of a Master's Degree and for 15, 30 and 45 hours beyond the Master's Degree. Additionally, the 3% increase will be paid to those who attain a second Master's Degree. It is estimated that the value of this benefit to our teachers is nearly \$380,000 over the life of the new contract.

This increase will be paid once each year upon attainment of the noted degree or hours specified. Most notably, while restricting this raise to once each year, the Board has attached no other conditions regarding the number of teachers who are eligible, a cap on the amount of money available for these raises, or any change in the criteria historically applied to the coursework completed in order to achieve this increase in salary.



## **5. EXTRA DUTY STIPENDS**

In the area of compensation paid for coaching, club/activity sponsorship, and other extra duties, the Board and the Association have worked through a subcommittee created under to prior collective bargaining agreement. This subcommittee has made recommendations for changes to the schedule which governs compensation for these activities. The Board supports the subcommittee recommendations with no change in the current indexing salary for the length of the contract. It should be noted that the cost of the Board's proposal as related to all compensated co-curricular activities will exceed \$4.8 million over the life of the new contract.

## **6. MISCELLANEOUS MATTERS**

Several subcommittees met before the formal start of contract negotiations to review necessary contract language clarifications and minor changes to areas of the contract. This committee process led to recommendations for changes. The Board supports the subcommittee recommendations.