



MOST RECENT OFFER AND COST SUMMARY
of the
BOARD OF EDUCATION
WESTMONT COMMUNITY UNIT SCHOOL DISTRICT 201
to
WESTMONT EDUCATION SUPPORT PERSONNEL
ASSOCIATION, IEA/NEA



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Introduction

The Board of Education of Westmont Community Unit School District #201 (“Board”) and the Westmont Education Support Personnel Association (“WESPA”) are currently involved in contract negotiations for a successor bargaining agreement. WESPA represents the District’s secretaries, teaching and library assistants, nursing positions, and food service employees. On July 7, 2016, the Association initiated the statutory public posting process authorized under the Illinois *Educational Labor Relations Act* (“IELRA”).

This process requires both parties to submit to the Illinois Education Labor Relations Board, and release to the public, a written copy of their most recent offer and a summary analyzing and explaining the costs of the offer. The Board is submitting this document to meet its posting obligations under the IELRA.



Introduction

Timeline of Current Negotiations

- Negotiations for a new bargaining contract began on June 23, 2015, to replace the prior bargaining contract expiring on June 30, 2015. The Board and WESPA met 5 times before reaching a Tentative Agreement last September 17, 2015.
- The Tentative Agreement was overwhelmingly voted down by WESPA's membership on October 7, 2015.
- The parties met again in December, 2015, and February, 2016, to attempt to resolve the issues in dispute. In March, 2016, the Board and WESPA agreed to involve a federal mediator, a common practice authorized under the IELRA to assist with the bargaining process.
- The first mediation session was held on April 7, 2016. The parties met 4 times with the federal mediator, for an average of 5 hours per meeting. At each meeting, the parties met for joint discussions and the exchanging of proposals. The last mediation session was held on June 3, 2016.
- The 2016-2017 school year begins on August 25th. WESPA staff begin reporting as early as August 11, 2016.



Introduction

- **Acknowledgment of Support Staff Contributions**

The Board recognizes and appreciates the many contributions made by the support staff who are in the WESPA bargaining unit. The services of the secretaries and clerical staff, teaching assistants, library/media assistants, nursing staff, and food service employees are critical to maintaining a quality educational program for the District's students.

- **Obstacles to Negotiations**

The Board acknowledges that while progress has been made, obstacles exist to achieving a contract settlement. When the parties returned to the table after WESPA voted down the original Tentative Agreement, all but one of the representatives of the WESPA bargaining team changed. The new WESPA team also presented to the Board significantly different financial proposals from its original demands. WESPA believes that prior contract settlements to which it agreed were unfair and should now be “corrected” in one year at a substantial cost to the District; the Board does not believe that any correction is needed.



Introduction

- **Salaries and Benefits Continue to Be Paid as Per the Previous Contract**

The current bargaining contract expired last June 30, 2015, which means that WESPA may say that it has been “working without a contract.” As required by labor law, however, the Board continues to honor the terms of the expired contract while terms for a new contract are being negotiated. WESPA staff continue to receive their salary, insurance coverage, and other benefits as provided under the terms of the expired contract.

- **The Board Is Not Reducing Insurance Coverage**

Unlike many other districts in recent negotiations, the Board has not proposed any changes to its current health insurance contributions for WESPA employees, which remain at 95% for single coverage and 80% for family coverage. Support staff are not being asked to pay additional insurance costs.



Introduction

- **The Parties Are Not at Legal Impasse**

Mediation and the public posting process are normally invoked when educational negotiations reach an impasse (i.e., neither party has any room for further movement). Throughout the negotiations process, the Board team has stated to the WESPA team that it has some room for further negotiation if WESPA would move off its exorbitant demand for correction of “perceived” inequities in salary raises. In response to the Board’s “last, best and final offer to settle” on June 3, 2016, however, WESPA would not respond with a counter proposal.

It is the Board team’s belief that WESPA continues to have room for movement as well. Therefore, the Board does not believe the parties are at an actual legal impasse and would return to the bargaining table if WESPA indicates that it has a serious counter to settle.



Board Objectives

District 201 remains committed to these objectives in negotiating with WESPA:

- Maintaining a committed support staff inside and outside of the classroom and recognizing their invaluable contributions to our students and the community;
- Continuing to offer a comprehensive compensation package including fair, competitive salaries and generous benefits, while also ensuring that the compensation package is reasonable and sustainable;
- Providing an exceptional work environment for its support staff personnel; and
- Maintaining a sustainable financial position for the District.



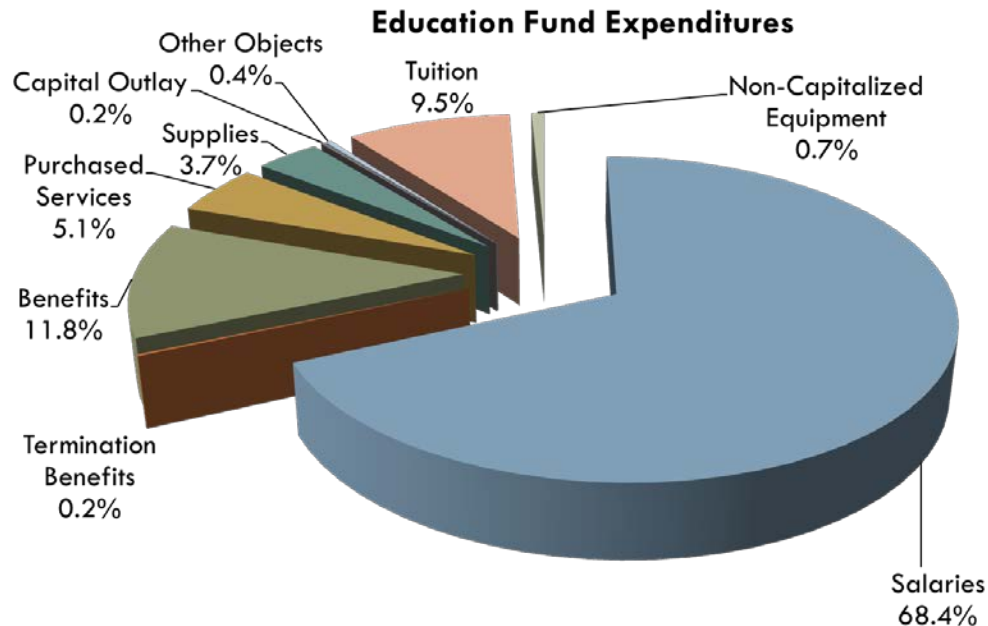
District Economic Profile



District Economic Profile

Budget Statistics

- The District operates with a \$26,823,786 Annual Budget.
- The total Education Fund Budget is \$20,437,158.
- Salary/Benefits make up 80.2% of Education Fund Budget.



Source: FY15 AFR



District Economic Profile

WESPA Salaries in Comparison to Neighboring Districts

The WESPA staff is composed of multiple categories of employees, with myriad duties represented. To ensure the salary range for each category is competitive, the District relies on data from similarly-situated regional districts. The Board team believes that its salaries place the District at or above comparable districts.

| | Center Cass | Hinsdale 86 | Hinsdale 181 | Downers 99 | Downers 58 | Indian Prairie 204 | Lisle 202 | Wheaton 200 | Naperville 203 | Elmhurst 205 | CUSD 201 | Average |
|----------------------------|----------------|----------------|-----------------|---------------|---------------|-----------------------|--------------|----------------|-------------------|-----------------|----------|---------|
| Principal's Secretary | NA | 13.88 | 17.61 | 14.13 | 13.00 | 14.50 | 15.64 | 14.13 | 14.65 | 13.60 | 15.44 | 14.66 |
| Secretary | NA | 12.22 | 14.12 | 13.01 | 13.00 | 14.50 | 13.19 | 12.03 | 10.89 | 12.92 | 13.72 | 12.96 |
| Teaching Assistant | NA | 12.77 | 13.30 | 14.81 | 13.00 | 12.00 | 13.19 | 11.51 | 12.63 | 11.43 | 12.86 | 12.75 |
| Library media Assistant | NA | 11.66 | 13.30 | 15.97 | 13.00 | 12.00 | 13.49 | 11.51 | 12.63 | 11.43 | 16.03 | 13.10 |
| Nursing Position | NA | 14.42 | 19.99 | 23.55 | 13.00 | 12.00 | 13.49 | 11.51 | 12.63 | 12.92 | 19.46 | 15.30 |
| Interpreters | NA | NA | 13.30 | NA | NA | NA | NA | NA | NA | NA | 17.16 | |
| Accompanists | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 16.60 | |
| Head Cook | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 17.16 | |
| Baker | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 12.59 | |
| Assistant | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 14.00 | |
| General | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 8.79 | |

Source: Districts' Support Staff Contracts. Hinsdale 86 ESP Handbook

7/14/2016



District Economic Profile

Current WESPA Benefits

The Board continues to offer a comprehensive, generous benefit package to WESPA members:

- Up to 14 paid sick leave days, 1 paid personal leave day, and up to 4 paid bereavement days annually
- 10 paid holidays annually
- Health insurance coverage at 95% for single and 80% for family coverage, and dental insurance coverage at 60% for single and the individual rate plus 20% for family
- Board-paid life and long-term disability insurances
- Tuition reimbursement up to \$200 annually
- Retiree health insurance coverage of up to \$800 annually for 5 years and payment of \$40 per day for unused sick days for employees with at least 10 years of service in the District

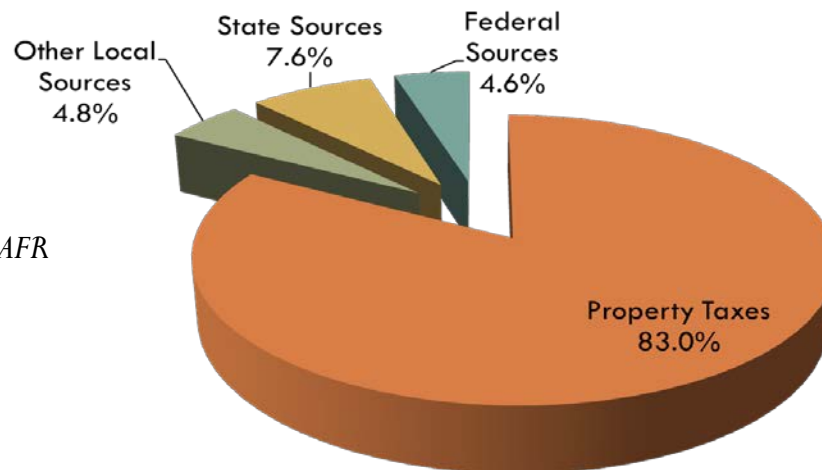


District Economic Profile

Sources of District Revenue (2015)*

The District's revenues in the Education Fund consist of local property taxes (83%), limited by the Consumer Price Index ("CPI") capped at 5%, and other local funding (4.8%). The District also receives General State Aid and some federal funding (12.2% of total revenue).

Education Fund Revenue Sources



*Revenue by Source FY 15 AFR



District Economic Profile

Declining Reserves and Managing Resources

The five-year budget projections completed by PMA forecast expenditures greater than revenues and declining fund balances.

Educational Fund - Projection Summary

| | BUDGET | REVENUE / EXPENDITURE PROJECTIONS | | | | | | | | | |
|---|----------------------|-----------------------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | FY 2016 | FY 2017 | % chg | FY 2018 | % chg | FY 2019 | % chg | FY 2020 | % chg | FY 2021 | % chg |
| REVENUE | | | | | | | | | | | |
| Local | \$18,328,246 | \$18,564,338 | 1.29% | \$18,845,652 | 1.52% | \$19,176,655 | 1.76% | \$19,512,316 | 1.75% | \$19,852,704 | 1.74% |
| State | \$1,484,408 | \$1,577,346 | 6.26% | \$1,551,819 | -1.62% | \$1,547,058 | -0.31% | \$1,455,327 | -5.93% | \$1,441,815 | -0.93% |
| Federal | \$822,267 | \$822,267 | 0.00% | \$822,267 | 0.00% | \$822,267 | 0.00% | \$822,267 | 0.00% | \$822,267 | 0.00% |
| Other | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| TOTAL REVENUE | \$20,634,921 | \$20,963,951 | 1.59% | \$21,219,738 | 1.22% | \$21,545,980 | 1.54% | \$21,789,910 | 1.13% | \$22,116,786 | 1.50% |
| EXPENDITURES | | | | | | | | | | | |
| Salary and Benefit Costs | \$17,519,387 | \$17,902,136 | 2.18% | \$18,529,281 | 3.50% | \$19,021,251 | 2.66% | \$19,258,431 | 1.25% | \$19,924,034 | 3.46% |
| Other | \$4,270,427 | \$4,282,198 | 0.28% | \$4,371,220 | 2.08% | \$4,513,463 | 3.25% | \$4,661,013 | 3.27% | \$4,726,018 | 1.39% |
| TOTAL EXPENDITURES | \$21,789,814 | \$22,184,334 | 1.81% | \$22,900,501 | 3.23% | \$23,534,714 | 2.77% | \$23,919,443 | 1.63% | \$24,650,052 | 3.05% |
| SURPLUS / DEFICIT | (\$1,154,893) | (\$1,220,383) | | (\$1,680,763) | | (\$1,988,734) | | (\$2,129,533) | | (\$2,533,266) | A |
| OTHER FINANCING SOURCES/USES | | | | | | | | | | | |
| Other Financing Sources | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Other Financing Uses | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| TOTAL OTHER FIN. SOURCES/USES | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | B |
| SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES | (\$1,154,893) | (\$1,220,383) | | (\$1,680,763) | | (\$1,988,734) | | (\$2,129,533) | | (\$2,533,266) | A+B |
| BEGINNING FUND BALANCE | \$11,422,954 | \$10,268,061 | | \$9,047,678 | | \$7,366,915 | | \$5,378,180 | | \$3,248,647 | |
| PROJECTED YEAR END BALANCE | \$10,268,061 | \$9,047,678 | | \$7,366,915 | | \$5,378,180 | | \$3,248,647 | | \$715,381 | |
| FUND BALANCE AS % OF EXPENDITURES | 47.12% | 40.78% | | 32.17% | | 22.85% | | 13.58% | | 2.90% | |
| FUND BALANCE AS # OF MONTHS OF EXPEND. | 5.65 | 4.89 | | 3.86 | | 2.74 | | 1.63 | | 0.35 | |



District Economic Profile

Statewide Financial Uncertainties

- FY 2016-2017 will be Illinois' second year without a statewide budget.
- Springfield passed an education budget for the 2016-2017 fiscal year; it is projected the District will receive an additional \$150,000 in funding.
- The increase in District expenditures, however, is projected to be greater than \$150,000.
- The burden of pension contributions will likely be shifted to local school districts by the legislature.
- Despite these uncertain current economic conditions, the District remains committed to fiscal responsibility, while offering competitive salaries and not reducing any current benefits, to equal a fair and comprehensive compensation package.



Tentative Agreements



Tentative Agreements

During the current negotiations and mediation, the Board and WESPA have reached tentative agreements on many benefits and working conditions:

- **New Longevity Bonus** of \$750 for employees with 20 or more years of service to the District.
- **New Licensed Teaching Assistant Pay Differential** to increase salaries of teaching assistants who pursue or obtain licensure (25 cents per hour for those with 4-year college degree; 50 cents per hour for those with Professional Educator License).
- **Retirement Health Insurance Benefit** to increase from \$800 to \$1,000 annually.
- **Tuition Reimbursement** doubling the eligible reimbursement to \$400 for the cost of taking classes or attending conferences.
- **New District Sick Bank** to allow employees to draw up to 60 paid days for personal illness when individual paid time off has been exhausted.



Tentative Agreements (cont.)

- **Holidays** guaranteeing all Union employees 10 paid holidays annually.
- **Flexible Benefit Plan** to continue, with update for IRS contribution level.
- **FMLA Leave** eligibility clarified.
- **Distribution of Final Contract** on the District's website (in lieu of paper copies), with each party bearing costs of printing any paper copies it needs.
- **Evaluation Committee/New Evaluation Tool** to be developed jointly by the Board and WESPA for use beginning in the 2017-2018 school year.
- **Principal's Secretary** elevated from a 10-month to a 12-month position, allowing one current principal's secretary to remain in 10-month position; vacation eligibility to be calculated by considering 10-month position as a full year of service.



Board's Most Recent Offer



Open Economic Items

Items on which the parties have not reached agreement:

- **Salary**
- **Wage “Correction” Placement Schedule and New Hires Placement Credit**
- **Merit-Based Incentive Payments**
- **Duration of Contract**

The District has a single pool of dollars to address all of these economic items.



Salary

Board's Proposal

For each year of the new 2016-2019 contract, the Board has proposed salary increases to be aligned with the consumer price index (“CPI”), as the District’s annual revenue from property taxes is tied by law to the CPI. The Board’s CPI-based salary increases will ensure annual wage increases for WESPA. Moreover, the Board believes that the floor and ceiling concept ensures wage fairness to staff in changing economic times as well as fiscal responsibility to our taxpayers.

- 2016-2017 100% of CPI, with a floor of 2% and ceiling of 5%*
- 2017-2018 100% of CPI, with a floor of 2% and ceiling of 5%*
- 2018-2019 100% of CPI, with a floor of 2% and ceiling of 5%

* Known CPI for these years assures each WESPA employee of a 2% wage increase.



Salary

Cost to the Board

Calculation of WESPA salaries involves several components: the base salary, longevity bonus for employees with more than 20 years of service, a pay differential for teaching assistants who have either a 4-year college degree or a Professional Educator License, and the elevation of the Principal's Secretary category from a 10-month position to a 12-month position. These additional benefits proposed by the Board will increase salary costs by just over 5% for the first year of the proposed contract and by about 2% for the remaining two years.

| <u>Contract Year</u> | <u>Salary Cost</u> | <u>Increase</u> |
|----------------------|--------------------|-----------------|
| 2016-2017 | \$1,418,658 | 5.07% |
| 2017-2018 | \$1,448,411 | 2.10% |
| 2018-2019 | \$1,477,229 | 2.00% |



Placement Schedule

Board's Proposal

The Board's most recent offer proposed to maintain the current salary ranges for new employees, instead of creating the placement schedule that WESPA is demanding to correct "perceived" former unjust settlements. Although WESPA believes that its starting salary ranges are not in parity with other Illinois districts, the Board's review of comparable salaries in surrounding DuPage districts shows that its current salary ranges are at or exceed those of other districts (see slide 11). WESPA's proposed placement schedule would sharply escalate salaries at a cost that would be fiscally irresponsible.

The current salary ranges allow the Board to attract and retain exceptional employees by offering and maintaining a competitive salary that incorporates experience credit for new hires. It also allows the Board to tie compensation to current economic indicators – in other words, to "live within our means" – and not guarantee raises that would be unsustainable. Further, the current contract already assures that the District will not compensate a newly-hired employee at a salary higher than a current, similarly qualified employee; that provision will remain in effect in the successor bargaining agreement.



Placement Schedule

Cost to the Board

There is no new cost to the Board to maintain the current salary range schedule, other than the cost associated with the Board's proposed salary increases. The WESPA-proposed "corrective" placement schedule, however, which includes increased starting salaries in addition to placement dollars to move existing staff, would cost the Board approximately \$200,000 in 2016-2017, the first year of the new contract. Additionally, the proposed WESPA placement of current members would afford some individuals salary increases of up to 33%. Those dollars reflect a 14.81% increase to the Board for 2016-2017, not including the Board's increased insurance benefit costs. This increase will adversely impact the cumulative costs to the District of WESPA salaries.



Proposed Salary Structure

Current minimum and maximum starting rates with increases based on the Board's most recent proposal. As indicated, the rates will increase by the proposed CPI floor or 2%.

| | Current | | 2.00% Year 1 | | 2.00% Year 2 | | 2.00% Year 3 | |
|--------------------------|---------|---------|-----------------|---------|-----------------|---------|-----------------|---------|
| | Minimum | Maximum | Minimum | Maximum | Minimum | Maximum | Minimum | Maximum |
| Principal's Secretaries | 15.44 | 23.46 | 15.75 | 23.93 | 16.07 | 24.41 | 16.39 | 24.90 |
| Secretaries | 13.72 | 20.59 | 13.99 | 21.00 | 14.27 | 21.42 | 14.56 | 21.85 |
| Teaching Assistants | 12.86 | 19.46 | 13.12 | 19.85 | 13.38 | 20.25 | 13.65 | 20.66 |
| Library Media Assistants | 16.03 | 25.17 | 16.35 | 25.67 | 16.68 | 26.18 | 17.01 | 26.70 |
| Nursing Positions | 19.46 | 31.75 | 19.85 | 32.39 | 20.25 | 33.04 | 20.66 | 33.70 |
| Intrepreters | 17.16 | 22.89 | 17.50 | 23.35 | 17.85 | 23.82 | 18.21 | 24.30 |
| Accompanists | 16.6 | 22.89 | 16.93 | 23.35 | 17.27 | 23.82 | 17.62 | 24.30 |
| | | | | | | | | |
| | | | | | | | | |
| Food Service | | | | | | | | |
| Head Cook | 17.16 | 24.02 | 17.50 | 24.50 | 17.85 | 24.99 | 18.21 | 25.49 |
| Baker | 12.59 | 18.31 | 12.84 | 18.68 | 13.10 | 19.05 | 13.36 | 19.43 |
| Assistant Cook | 14 | 20.59 | 14.28 | 21.00 | 14.57 | 21.42 | 14.86 | 21.85 |
| General | 8.79 | 15.74 | 8.97 | 16.05 | 9.15 | 16.37 | 9.33 | 16.70 |



Merit-Based Incentive Payments

Board's Proposal

The Board's most recent offer proposed to award a **new** annual merit bonus incentive payment to employees, considering both their performance evaluation and/or experience credit in the District. This proposal originated from the Board's desire to reward WESPA employees, acknowledging their years of service and commitment to the District. The bonus dollars for distribution under the Board's proposal would total 2% of the annual WESPA payroll. The bonus monies distributed to eligible employees would not be added to their annual salary.

The parties have already agreed to establish an Evaluation Committee, composed of members of both WESPA and the administration, to develop a new support staff evaluation tool for use starting in the 2017-2018 school year. This tool will be the basis of the merit-based bonus monies.



Merit-Based Incentive Payments

Cost to the Board

Based on prior years' evaluation ratings, the Board assumes 100% of WESPA members will receive a rating of at least Proficient and be eligible to receive a merit bonus. Only those individuals who receive Unsatisfactory evaluation ratings will not receive the merit bonus.

| <u>Contract Year</u> | <u>Bonus Cost</u> | <u>Increase</u> |
|----------------------|-------------------|-----------------|
| 2016-2017 | \$27,004 | |
| 2017-2018 | \$28,253 | 4.62% |
| 2018-2019 | \$28,818 | 2.00% |



Duration of Contract

Board's Proposal

At the last mediation session on June 3, 2016, the Board proposed two settlement options: (1) if accepted by WESPA that night, a 4-year agreement, which included retroactive salary increases for the 2015-2016 school year and increases for the 2016-2017, 2017-2018 and 2018-2019 school year, or (2) a 3-year agreement, with no retroactive monies for the 2015-2016 school year. WESPA declined to accept the 4-year contract option with retroactive pay increases, so the Board's most recent proposal is for a 3-year agreement starting July 1, 2016 through June 30, 2019.



Total Cost Summary of Board Offer

- **2016-2017 contract year**

- Total Salary* Cost: \$1,445,662
- Insurance** Cost: \$432,216

Percentage Increase over Prior Contract Year: 7.20%

- **2017-2018 contract year**

- Total Salary* Cost: \$1,476,664
- Insurance** Cost: \$455,326

Percentage Increase over Prior Contract Year: 2.88%

- **2018-2019 contract year**

- Total Salary* Cost: \$1,506,047
- Insurance** Cost: \$481,557

Percentage Increase over Prior Contract Year: 2.88%

*Includes CPI Formula, Differential Pay for Eligible Teaching Assistants, Longevity, 12-Month Extended Secretary Position, and Merit Bonus

**Includes employee insurance coverages and known retiree insurance costs

7/14/2016



Key Economic Points of Board's Most Recent Offer



Key Economic Points of Board's Most Recent Offer*

Duration: 3-year contract covering 2016-2017, 2017-2018 and 2018-2019 school years

Salary: Annual salary increases at 100% of CPI, with 2% floor and 5% ceiling

Merit Bonus Incentive: Award annual bonus incentive payments for performance and/or experience, totaling 2% of WESPA payroll

Retirement Health Insurance/Benefits: Increase annual benefit from \$800 to \$1,000

Longevity: Add annual benefit of \$750 to employees after 20 years of service

Maintain New Hire Salary Ranges: Attract and retain exceptional employees at competitive starting salaries

Teaching Assistant Pay: Provide 25 and 50 cent pay differentials for those assistants with 4-year college degrees or Professional Educator License

Principal's Secretary 12-month Position: Increase position from 10 to 12 months at current hourly rate for additional hours, with grandfathering of any current secretary who wants to remain in 10-month position; calculate vacation eligibility considering 10-month position as a full year of service

* From the Board's "Last, Best and Final Offer To Settle #2" dated June 3, 2016.