



## MTI 2018-19 Bargaining Update

April 23, 2018

### Base-wage Bargaining to Commence May 2 for All MTI units

On May 2, MTI will commence bargaining with the District for all bargaining units (Teachers, ESEA and USO). Act 10 provides for collective bargaining over base-wage increases but restricts such increases to no more than the cost-of-living (without going to referendum for greater authority). This year's cost-of-living increase has been determined to be **2.13%**. District Administration is currently only budgeting for a **0.5%** base-wage increase for 2018-19, along with annual step, lane, and longevity increases. MTI has been advising District Administration and BOE since February that **MTI will be seeking the 2.13% cost-of-living base-wage increase for all MTI represented employees.**

#### MTI Members Encouraged to Attend the BOE Meeting, Monday, April 30, 6:00 pm

As MTI pushes for cost-of-living wage increases and the **School Climate Our Students and Staff Deserve**, MTI members are encouraged to "wear red" and attend the Board of Education meeting on Monday, April 30, 6:00 pm in the Auditorium of the Doyle Administration Building.

### What's the Difference Between "Base-wage" and "Step" Increases?

A **base-wage** increase is a **pay increase that increases the salary schedule**, providing a pay increase to **all employees**, regardless of their location on the schedule. Increasing base wages by the cost-of-living maintains the relative value of the salary schedule. In 2017-18, the District had to increase starting teacher pay by nearly 10% to compensate for the fact that base-wage increases over the past decade had eroded the competitiveness of starting teacher salaries. Our work to secure a \$15 per hour "living-wage" for hourly employees was driven by similar factors. ***Since 2011, the cost-of-living has increased by over 11% while MMSD base wages have increased by only 2.6%.*** Providing cost-of-living increases to the salary schedule is necessary to provide all employees with a cost-of-living increase and to maintain the value of the schedule.

A "**step**" (or longevity) increase **does not increase the salary schedule**, but rather provides a pay increase for **only those employees scheduled to receive a step increase** due to their movement on the schedule. In fact, many employees receive no step increase at all due to their location on the salary schedule. Step increases incentivize and reward continued employment for those moving through the schedule (and for teachers, continuing education as well). For example, a teacher hired at Level 8 receives an annual step increase for their first seven years of employment (until they reach level 15). After level 15 is attained, teachers receive a "step increase" only every other year. A school secretary receives an annual step increase for their first 4 and ½ years of service and then receives a longevity increases every 2<sup>nd</sup> or 3<sup>rd</sup> year until they reach the top wage rate (at which point no further step increases are provided). The District estimates that "step" increases provide an average annual pay increase for continuing employees of between 1-2%. ***MTI's advocacy in the Employee Handbook process has successfully continued the salary schedules which provide the step increases.***

**Base-wage increases** are essential to preserve the economic value of the salary schedule and provide **all** employees an increase. **Step increases** are critical to retaining and rewarding staff and allowing them to achieve living wages and professional compensation.

## Base-wage Increases, the Cost-of-living and Shifting Benefit Costs

**Since 2011, cost-of-living has increased by over 11% while MMSD base-wages have increased by only 2.6%.**

During that same period of time, District employees have witnessed decreasing take-home pay due to increased employee costs for retirement contributions and health insurance benefits. See chart below:

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Base-wage increase</b>	0%	0%	0%	1.0%	0.25%	0.12%	1.26%
<b>Cost-of-living</b>	1.64%	3.16%	2.07%	1.46%	1.62%	0.12%	1.26%
<b>Benefit Changes</b>	Employees lost 6% of take home pay when Act 10 mandated employee Wisconsin Retirement System (WRS) contribution	WPS health insurance option eliminated. MMSD adds more HMO options.	Substitute teacher sick leave eliminated.		Biometric screenings required to avoid escalating employee premium contributions	Employees started to pay employee premium contributions for health insurance (1.25% to 3% of premium)	Consolidate from 3 to 2 HMO plans. \$3 million savings used to fund new teacher pay, summer school pay increases and base pay increase

## 2018-19 Was Supposed to Be the Year for Compensation

During the 2017-18 school year, an MTI-MMSD Teacher Compensation Committee was created to explore potential improvements to the teacher salary schedule prompted by administration's identification of Compensation as a lead budget priority for 2018-19. Last November, the Committee was informed that the District was considering investing **an additional \$4 million** in potential salary schedule improvements. As a result, the Teacher Compensation Committee began exploring major improvements such as consolidating tracks/lanes; adjusting the salary schedule curve to provide more money sooner; considering targeted stipends to incentivize work in hard-to-staff areas such as bilingual and CC teaching; and identifying other improvements to provide all teachers with a long overdue pay increase.

By March, District administration had reduced the amount available for compensation investments to **only \$1.5 million** AND was tentatively budgeting for **only a 0.5% base-wage increase**. Given the District's dramatic reduction in funds identified for potential salary improvements, along with the District budgeting for a base-wage increase **significantly below the cost-of-living**, MTI recommended that further discussions over any targeted stipends halt until after MTI and the District bargained base-wage increases for all employees. All employees need to see a cost-of-living increase and only after across-the-board pay increases for all have been established should targeted stipends be considered.

While the District's dramatic reduction in funds identified for salary improvements will postpone work in this area, all District employees should expect and demand a basic cost-of-living increase on their base-wage. If the District is unwilling to access the required revenue to dramatically improve salaries next year, at minimum they at least need to maintain the value of their employee's current salaries with cost-of-living increases. In 2016, MMSD, with help from MTI, passed a referendum which allows the District to increase school revenues by \$26 million over four years. These funds are available if the Board chooses to make increased salaries a priority.