**Base-wage Bargaining to Commence for All MTI Units in May**
Early next month, MTI will commence bargaining with the District for all MTI-represented 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 for contracts commencing July 1, 2019 has been determined to be 2.44%.

**District Administration is Only Budgeting for a 0.5% Base-wage Increase**
While the law allows for a 2.44% cost-of-living base-wage increase, as the Board of Education continues to develop the 2019-20 MMSD budget, District administration is budgeting for only a 0.5% base-wage increase for District employees.

**Why is District Administration Budgeting for a Base-wage Increase Below the Cost-of-Living?**
District administration maintains that rather than providing the 2.44% cost-of-living base-wage increase, employees should accept a 0.5% base-wage increase. They maintain that once the 0.5% base wage increase is combined with scheduled “step” increases it will provide an average pay increase for employees comparable to cost-of-living (i.e., the 0.5% base-wage increase plus an average “step” increase of 2% would equal a 2.5% increase).

One problem with the District’s rationale is that not all employees receive step increases in any given year, leaving those employees who do not get a step increase with only a 0.5% pay increase under the District’s budgeting assumptions. In fact, the base-wage increase is the only pay increase in 2019-20 that will be received by:
- Over 700 Substitute Teachers and 200 Substitute SEAs who receive no step increases
- Over 100 EA/SEA/BEA/NA/Clerical EAs not scheduled to receive step or longevity increases
- Over 75 Clerical and Technical employees not scheduled to receive step or longevity increases
- All of the Building and Construction Trades employees and many Local 60 represented employees

Another problem with this rationale is that it ignores the important distinction between base-wage and step increases.

**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 and ensures that no employee loses take-home pay due to inflation. Providing cost-of-living increases to the salary schedule is necessary to provide all employees with a cost-of-living pay 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 only to 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 in a given year. Step increases largely focus on early career employees to bring them from lower hiring salaries to more professional pay levels.

Base-wage increases are essential to preserve the economic value of the salary schedule and provide all employees a pay increase. Step increases are critical to retaining and rewarding staff, allowing them to advance to living wages and professional compensation.
Base-wage Increases, the Cost-of-Living, and Shifting Benefit Costs

Since 2011, the cost-of-living has increased more than 13%, while MMSD base-wages have increased by less than 5%. During that same time period, District employees have witnessed decreasing take-home pay, due to increased employee costs for retirement contributions and health insurance benefits.

In an effort to minimize health insurance premium increases for 2019-20, the Dean and GHC plans will be modified on July 1, 2019 to increase Emergency Room co-pays from $50 to $150 and to double the health insurance premium contribution for those employees who opt for the more expensive POS (Point-of-Service) plans rather than the HMO options. MTI has supported these plan design changes as a reasonable response to controlling increasing healthcare costs. However, cost-of-living base-wage increases are also needed as employee out-of-pocket health costs increase.

See chart below:

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<tbody>
<tr>
<td>Base-wage increase</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>1.00%</td>
<td>0.25%</td>
<td>0.12%</td>
<td>1.26%</td>
<td>2.13%</td>
<td>?</td>
</tr>
<tr>
<td>Cost-of-living</td>
<td>1.64%</td>
<td>3.16%</td>
<td>2.07%</td>
<td>1.46%</td>
<td>1.62%</td>
<td>0.12%</td>
<td>1.26%</td>
<td>2.13%</td>
<td>2.44%</td>
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<tr>
<td>Implement 50% employee WRS contribution, 5.8% reduction in gross take-home pay</td>
<td>Implement WPS health insurance option, add Dean, P+ HMO</td>
<td>Substitute Teacher sick leave eliminated</td>
<td>Biometric screenings required to avoid premium increase</td>
<td>Implement employee health insurance premium contributions</td>
<td>Consolidate from three to two HMOs, $3 million savings</td>
<td>Increase ER co-pays, increase employee premium contribution for POS plans, other potential changes?</td>
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All Union Solidarity Support Meeting, April 18

As we prepare for the commencement of bargaining, an All Union Solidarity Support meeting will be held on Thursday, April 18, with bargaining team representatives from:

- MTI (representing Teachers, BRS and other professional educators)
- ESEA-MTI (representing EAs, SEAs, School Security Assistants, Clerical and Technical staff);
- USO-MTI (representing daily and long-term Substitute Teachers)
- Building and Construction Trades Council (representing MMSD Carpenters, Electricians, Plumbers, and other Trades staff),

We will also be joined by association leaders from AFSCME Local 60 (representing Custodial, Maintenance, and Food-Service staff). The purpose of the meeting will be to prepare for our spring campaign for...

**COST-OF-LIVING BASE WAGE INCREASES FOR ALL EMPLOYEES!**