



## MTI 2019-20 Bargaining Update

April 1, 2019

### 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:

	<u>7/2011</u>	<u>7/2012</u>	<u>7/2013</u>	<u>7/2014</u>	<u>7/2015</u>	<u>7/2016</u>	<u>7/2017</u>	<u>7/2018</u>	<u>7/2019</u>
<b>Base-wage increase</b>	0.00%	0.00%	0.00%	1.00%	0.25%	0.12%	1.26%	2.13%	?
<b>Cost-of-living</b>	1.64%	3.16%	2.07%	1.46%	1.62%	0.12%	1.26%	2.13%	2.44%
<b>Benefit Changes</b>	Implement 50% employee WRS contribution, 5.8% reduction in gross take-home pay	Eliminate WPS health insurance option, add Dean, P+ HMO	Substitute Teacher sick leave eliminated		Biometric screenings required to avoid premium increase	Implement employee health insurance premium contributions	Consolidate from three to two HMOs, \$3 million savings.		Increase ER co-pays, increase employee premium contribution for POS plans, other potential changes?

## 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!**