



## MTI 2019-20 Bargaining Update

May 10, 2019

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

#### **Base-Wage Bargaining to Commence for All MTI Bargaining Units on May 28**

The exchange of initial bargaining proposals between the District, MTI, and the Building Trades unions has now been scheduled for **Tuesday, May 28**. Act 10 provides for collective bargaining over base-wage increases, but limits such increases to no more than the cost-of-living (without going to referendum).

#### **MTI Will Be Bargaining For Cost-of-Living Base-wage Increases (2.44%)**

Every year since the Act 10 bargaining restrictions first applied to MTI (2016-17), MTI and the District have bargained cost-of-living base-wage increases for all employees. This year's cost-of-living increase for contracts commencing July 1, 2019 has been determined to be 2.44%. ***MTI will once again be seeking a cost-of-living base-wage increase for all MTI-represented employees.*** While the law allows for a 2.44% cost-of-living base-wage increase, District Administration continues to prepare a draft 2019-20 MMSD budget with a base-wage increase of only 0.5%, far below the cost-of-living.

Previous **MTI Bargaining Updates** have focused on the faults in the District's budgeting scenarios and the important distinction between ***base-wage increases for all*** and ***step increases for some***. This week's update will focus on additional data in support of cost-of-living base-wage pay increases.

#### **Wisconsin Teacher Salaries Fall to 33<sup>rd</sup> in Nation**

According to the annual **NEA Rankings and Estimates** released last month. Wisconsin's average teacher salary dropped to **33<sup>rd</sup>** in the nation, down from **18<sup>th</sup>** in the nation just seven years ago. Wisconsin's average teacher salary was \$51,469 in 2017-18, compared to the national average of \$60,477. ***Without cost-of-living base-wage increases***, teacher salaries here will become less competitive in an increasingly regional/national labor market.

In 2017-18, MTI worked with the District to increase **starting teacher pay by 10%** to help make up for decades of stagnant wage increases. That same year, MTI worked with the District to implement a \$15 per hour minimum hiring rate for hourly employees such as **EAs, SEAs and BEAs** for the same reason (years of stagnant wage growth). Cost-of-living base-wage increases are necessary to protect those gains and prevent the further erosion of wages to inflation.

#### **Teacher Wage Penalty Hits Record High 21% in 2018**

Last month, a report from the **Economic Policy Institute (EPI)** measured changes to the teacher wage penalty over time (i.e., the percent by which public school teachers are paid less in wages and compensation than other college-educated workers). In 2018, the wage penalty between public school teachers and other employees (controlling for education, experience and other factors known to affect earnings) reached a record 21.4% (up from 5.3% in 1993 and 12% in 2004). **Wisconsin ranked 31<sup>st</sup> among the 50 states with a teacher wage penalty of over 22%.** In a city like Madison with a record low unemployment rate and a booming high-tech economy we can assume the wage-gap to be even greater where educators can find better compensated careers more readily available. Again, providing cost-of-living base-wage increases to MMSD employees is critical to prevent exacerbating this problem.

## **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, MTI worked with the District, Dean and GHC to modify health plans 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.

	<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.

### **What Can You Do?**

- Wear red on Mondays in May and June.
- **Contact Board of Education Members** and let them know that you deserve and expect a cost-of-living base-wage pay increase.
  - E-mail the BOE at [board@madison.k12.wi.us](mailto:board@madison.k12.wi.us)
  - Copy your message to MTI at [mti@madisonteachers.org](mailto:mti@madisonteachers.org)
- Attend the **BOE Operations Work Group** meeting on **May 13**
- Attend the **Regular BOE Meeting** on **May 20**
- Attend the **BOE Operations Work Group** meeting on **June 10**
- Complete an [MTI Cost-of-Living Pledge form](#) to take action in support of a cost-of-living base-wage increase for all employees.

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