



MTI 2019-20 Bargaining Update

July 18, 2019

District Increases Wage Offer to 2.32%, After State Budget is Finalized

After suspending bargaining last month until the State Budget was resolved, base-wage bargaining between MTI and the MMSD resumed on Wednesday, July 17. At the meeting, District negotiators presented the union bargaining teams with a proposal to increase base-wages by **2.32%** (the District had previously offered a 0.5 % increase).

The movement by the District was due to the finalization of the State Budget which, according to District negotiators, provided the District “approximately \$4.4 million more than was approved in the June 24 original MMSD budget and \$1.6 million more than the contingency budget.” The District’s proposal and rationale are available on MTI’s website under “Bargaining Updates. This new revenue, along with the BOE’s authorization to move \$180,000 from other areas into compensation, allowed the District to increase their base-wage proposal from 0.5% to 2.32%. The District asserted that this was their “final offer. “

Recognizing that a 2.32% base-wage increase is less than the 2.44% cost-of-living, the District team also advised that the District was willing to provide any employee whose base-wage increase plus step increase was less than 2.44% with a one-time, lump-sum payment for the difference. For example, a substitute teacher who receives no step increase would, under the Districts proposal, receive a 2.32% increase on their daily salary plus a one-time lump-sum payment equal to the dollar difference between the 2.44% cost-of-living and 2.32% pay increase. This would be a one-time payment, however, and would not impact the salary schedule.

MTI Continues to Demand a 2.44% Cost-of-living Increase

After receiving the District’s proposal, MTI’s negotiating team, comprised of representatives of MTI’s Teacher, ESEA and USO units, caucused with the Building Trades and Local 60 representatives to discuss a response to the District’s 2.32% proposal and, while appreciating the District’s movement, reiterated our demand for a **2.44% cost-of-living increase.**

MTI has successfully advocated for cost-of-living base-wage increases every year since the Act 10 restrictions applied to us. In some years that meant accepting negligible pay increases (**0.12%** in 2016) and other years it resulted in better pay increases (**2.13%** in 2018). A cost-of-living increase should be a minimal expectation for District employees and the District needs to provide such increases to attract and retain a high-quality work force. **This year’s cost-of-living is 2.44% and accepting anything less results in the erosion of pay scales, as well as leaving many employees behind.**

- The **base-wage increase** is the **only pay increase** that increases the salary schedule and provides a pay increase to **all employees.**
- **Base-wage increases need to equal cost-of-living or salary schedules and pay rates erode.**
- Step increases should not be included with “cost-of-living” increases since they **do not increase the salary schedule, do not apply to all employees,** and are intended to **advance** lower-paid early career employees to professional salaries and living wages.
- **Over 1,000** District employees, including many of our lowest paid employees, will only receive a base-wage increase in 2019-20.

Next steps:

- Members of the **All Union Bargaining Team** are planning to attend the **July 29 Board of Education meeting** to share our continued resolve for a cost-of-living 2.44% base-wage increase with the Board.
- MTI members are encouraged to continue to contact BOE members to express the importance of a 2.44% cost-of-living base-wage increase. Email the BOE at: board@madison.k12.wi.us.
- **All MTI members** are asked to **SAVE THE DATE of Monday, August 26**, and be prepared to **FILL THE ROOM and attend the Regular Board of Education meeting** if a cost-of-living increase is not agreed to by that time.

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 Health, 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 continue to 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>
Base-wage increase	0.00%	0.00%	0.00%	1.00%	0.25%	0.12%	1.26%	2.13%	?
Cost-of-living	1.64%	3.16%	2.07%	1.46%	1.62%	0.12%	1.26%	2.13%	2.44%
Benefit Changes	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.

2.44% COST-OF-LIVING BASE-WAGE INCREASES FOR ALL EMPLOYEES!