



MTI 2019-20 Bargaining Update

July 26, 2019

Base-wage Bargaining Proceeds to Mediation

Base-wage bargaining has reached an impasse (i.e. neither party is currently willing to amend their offer) and representatives from the District and MTI have agreed to proceed to mediation. Under mediation, the parties mutually select a mediator who will work with the parties to try to reach a mutually-agreeable resolution. We are currently working to schedule mediation dates in early August.

Current Bargaining Proposals

MTI proposal:

- MTI is proposing a **2.44% cost-of-living** base-wage increase for all employees.

District proposal:

- The District is now proposing to increase base-wages by **2.32%** (the District had previously offered a 0.5 % increase).
- Recognizing that a 2.32% base-wage increase is less than the 2.44% cost-of-living, the District is also willing to provide any employee whose base-wage increase plus step increase is 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 District's 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.

MTI's Analysis of District Proposal:

We see multiple problems with the District's current proposal:

- 1) MTI and MMSD have established a practice over the past three years of bargaining cost-of-living base-wage pay increases for all employees. This follows many years of austerity budgets with salaries that have eroded due to inflation, which has compromised the District's ability to attract and retain a highly-qualified work force. **Providing less than a cost-of-living base wage increase would sever the parties' recent practice, potentially returning us to austerity-level wage increases and continued salary erosion;**
- 2) One-time, lump-sum payments are **non-continuing and do not build salary schedules**. While such a payment may help compensate an employee in the year they receive the lump sum, it does not build their wages into the future and allows for further erosion of the wage schedule due to inflation.

MTI Continues to Demand a 2.44% Cost-of-Living Base-Wage 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 more measurable pay increases (**2.13%** in 2018). A cost-of-living increase should be a minimal expectation for all 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 and leaves 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; otherwise, 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.

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 endured an actual decrease in take-home pay, due to increased employee costs for retirement contributions and health insurance benefits.

	<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 and longevity pay 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.

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 BOE.
- MTI members are encouraged to continue to contact BOE members to express the importance of a 2.44% cost-of-living base-wage increase. E-mail the Board at board@madison.k12.wi.us.
- Mediation is being scheduled for early August.
- **All MTI members** are asked to **SAVE THE DATE of Monday, August 26**, and be prepared to **attend the Regular Board of Education meeting**, in case no agreement is reached by that time.