

February 4, 2010

To the Members of the School Board, Superintendent  
Moultonborough school District  
Moultonborough, New Hampshire 03254

The ABC has reviewed the results of the proposed two - year Collective Bargaining Agreement (CBA). In a vote of 4-1 (4 against, 1 in favor) the committee has agreed not to support the contract. In an attempt to provide the community with a factual understanding of the proposed changes, we have outlined the changes of our concern below. We request that the community take the time to understand the proposed contract changes prior to voting.

### **Salary**

#### **Current existing contract**

The existing contract covered a three year period of August 1, 2007 thru July 31, 2010. The contract period of performance in a year is 185 days per year. The contract days are comprised of 180 teaching days and 5 in-service days. Additional service time, includible in the overall wage base for retirement calculation, is reimbursed via stipends, which represent fees for a variety of services such as department chairs, unit leaders, clubs, coaches etc. The value of the received stipends varies in accordance with a schedule for each approved extra-curricular activity. Many teachers receive multiple stipends. Teachers are provided up to \$1400 per year in reimbursement towards professional development courses, computers, workshops etc. The existing contract provided for no less than an average 9% salary increase over the three year period. The pay schedule is based on a Step and Track system. Year 2009-2010 is comprised of 14 steps and 5 tracks. The track rating is based on academic advancement (Bachelors Degree, Masters Degree, Masters Degree +, etc.) All teachers' receive a step increase within their respective track with each additional year of service. Steps are based on time in position. Steps are not based on performance. Steps are granted per contract to all teachers on an annual basis. Track changes are based on academic advancement, i.e. obtaining added credited courses toward advanced degrees. Annual step increases can occur in addition to track change increases within the same year. The current contract pay schedule range is \$34,333 to \$58,251. Once a teacher reaches the top Step of the salary schedule (14 years of teaching) they receive off-track pay increases of anywhere from \$250-\$700 per year of experience. A teacher reaching the top step would receive additional pay each year calculated at a rate of \$700 times the number of years worked after reaching the top step. Three years worked after reaching the top step would equal an additional \$2,100 in salary above the highest step value. Currently, approximately 42 % of Moultonborough teachers have reached the maximum step for their respective track.

#### **Proposed contract**

The District teachers' contract is proposed to cover two years beginning August 1, 2010, and ending July 31, 2012. Many of the terms and conditions remain the same as the current contract. Work days remain the same, stipend payments continue. The following represent the contract changes with regards to salary.

The first year of this contract beginning in the school year 2010-2011 proposes to use the same salary schedule from the last year of the existing contract, (2009-2010). Although, the salary

schedules include no increase in the respective step ranges, all teachers receive a salary increase in the first year of the contract. Teachers move up one step. Teachers can also change to a higher track. The actual amount varies; teachers who move up one salary step will receive the equivalent of a 3.7 % salary increase at the beginning of the step range to 2.61 % at the high end of the step chart. Teachers who are above the maximum step will receive a lesser percentage based on their Years of service and track level.

Year two of the proposed contract increases the overall pay schedule by 1.1% in addition to the eligible teachers receiving a step (longevity) increase of approximately 3.7 % to 2.61 %. These pay increases are based on time in position and do not require that teachers demonstrate increased proficiency.

While, the ABC can support changes in track assignments based on increased academic proficiencies it cannot support across the board increases in step ranges or automatic step progression based solely on time in position. Please note; both the Library and the Town have proposed 0% across the board salary increases for this year.

### **Retirement Incentive**

In order to provide retirement incentive to the Districts senior teaching staff, the School Board has proposed and approved the following retirement incentive program. The intent would be to entice the experienced higher salaried teachers to take an early retirement, allowing the district to replace the retiring teachers with junior and therefore less costly staff.

*In recognition of service to the Moultonborough School District, a teacher with at least twenty-five (25) years of teaching experience, who has at least ten (10) years of service to the Moultonborough School District, who is at least 55 years of age, and who is eligible for early or normal? Retirement under the New Hampshire Retirement System, shall be eligible upon retirement from the District, for a retirement stipend equal to 30% of their last year's salary. The last year salary paid shall Mean the amount paid for services specified in the teacher's individual contract as per the Collective Bargaining Agreement. It does not include any additional amount earned for extra duty assignments, extra-curricular or athletic activities or other compensation received. The limit of the number of eligible teachers in any single year shall be five (5). In the event that more than the five apply, then the plan shall be limited to the five most senior applicants. Seniority shall first be determined by the sum of age and years of service to the District. If two or more eligible teachers have the same total sum of age and years of service to the District, then the one with the most years of service to the District will be considered the most senior. If the years of service are the same, then the one with The earliest birth date will be considered the most senior. The School Board may, at its discretion, approve additional applications for the plan.*

While the ABC commends the School Board for its creativity in developing a program to replace the higher salaried staff with more junior (i.e. less expensive) staff, we strongly do not support the program. There is no end date on this retirement offer. Conceivably, five teachers per year could qualify for the retirement incentive from 2011 through perpetuity. Once in the contract, as written, it is the opinion of this committee that it will be virtually impossible to remove. However, we do believe this could be a very effective cost reduction program with an end date attached to the offer. We would propose that the offer be extended for a three year period with an option to renegotiate an additional year thereafter.

Please note that in addition to the new retirement incentive the CBA extends two existing retirement stipends as follows: (It should also be noted that teachers receiving the "New Incentive" would not be eligible for the existing retirement stipends.)

*Retirement Stipend: This stipend is available to teachers who are determined not to be eligible in a given year for the newly proposed Retirement incentive described above. In recognition of service to the Moultonborough School District, a teacher retiring from the Moultonborough School District, who will be Receiving benefits from New Hampshire Retirement System immediately after retiring, will receive a Stipend in addition to their last year's salary equal to \$450 per year of experience in the Moultonborough School District beginning with the 1980-1981 school years.*

*Sick Days: This stipend is available to teachers who are determined not to be eligible in a given year For the new Retirement incentive described above. Whenever a teacher with ten (10) or more years of Service in the Moultonborough School District retires from employment with the School District, the Teacher shall be compensated for all accumulated sick days. Such compensation shall be equal to 45% of The substitute teacher compensation rate for the duration of this contract and until amended in future Contracts.*

### **Health Benefits**

TheABC requested as part of its 2009/2010 and again in its 2010/2011 review that the District should undergo a competitive analysis (contractual and non contractual positions) of its current "Benefits" package including, employee /employer benefit contribution rates. The 2011 budget includes a significant increase in the cost of health and dental benefits (approximately 23 % and 6 % respectively). Employee's health benefits, historically, have been negotiated as part of the collective bargaining agreement. The current contract includes language which controls both the provider of health services, policy coverage and the amount contributed for services by the district. Currently the District pays 90% towards health insurance plan costs. The current provider is Blue Cross/ Blue Shield. The ABC was pleased to see language in the proposed contract that would allow for future change in carriers with approval by both the Union and Administration. The ABC was also pleased to see that the proposed contract recognizes the historically generous 90 % employer contribution to the overall coverage. The proposed contract decreases the employer contribution to 87.5% on the difference in premium between single and family coverage. We believe this is a small step in the right direction.

In addition, unknown to this committee until January 27<sup>th</sup> (post contract negotiations), the district had in place a subcommittee analyzing alternative health insurance plans. The proposed contract now includes the choice of three additional health plans all at a lower cost than the current Blue Cross/Blue Shield 1000 Plan. While this is a very commendable step in the right direction; the proposed contract has no mechanism to migrate enrollment to the less expensive plans. At a minimum, this committee would like to see language that would require all new hires to choose from the three new offerings limiting participation to the existing plan to existing employees. The new CBA contains an increase in the benefits under a Term Life, Accidental Death & Dismemberment insurance policy from \$10,000 to \$20,000. The ABC supports this increase.

Respectfully submitted,

Moultonborough Advisory Budget Committee

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