

FINAL OFFERS FOR NEGOTIATIONS BETWEEN THE ALTON COMMUNITY UNIT SCHOOL DISTRICT #11 AND THE ALTON EDUCATION ASSOCIATION, IEA/NEA

Since November, 2017, the parties have met six times, including federal mediation, in an attempt to reach agreement over a successor collective bargaining agreement. On Tuesday, March 6, 2018 through the federal mediator, the Alton School District presented its fifth proposal as a firm and final offer which included a two-year salary proposal. In Year 1 of the District's proposal, certified staff would have received a \$100 increase on each cell of the salary schedule, plus a step increase equaling \$1196 for the 2017/2018 school year (retroactive to 9/1/17). The total proposed increase for each certified staff member was \$1,296. In Year 2 of the District's proposal, the District again offered a \$100 increase to each cell of the salary schedule, plus a step increase equaling \$1196 for the 2018/2019 school year. The total proposed offer for each certified staff member for Year 2 was \$1,296. For non-certified staff, the District offered an increase of thirty-five cents (\$.35) per hour for the 2017/2018 school year (retroactive to the beginning of the 2017/2018 school year) and another thirty-five cents (\$.35) per hour for the 2018/2019 school year. This offer was rejected by a vote of the bargaining members.

On Wednesday, March 21, 2018, the two negotiating teams met again and the Alton Education Association was to present its offer to the School District. Instead of presenting an offer, the Association requested a discussion with the School District's lead negotiator. During this discussion, the District was asked what terms they could extend and the District responded with a supposition/"supposal" of what could be potentially acceptable to the Board of Education. This supposition would have provided certified staff with a \$400 increase on each cell of the salary schedule, plus a step increase equaling \$1196 for the 2017/2018 school year (retroactive to 9/1/17) and a \$400 increase on each cell of the salary schedule, plus a step increase equaling \$1196 for the 2018/2019 school year. For non-certified staff, the District offered an increase of forty cents (\$.40) per hour for the 2017/2018 school year (retroactive to the beginning of the 2017/2018 school year) and forty cents (\$.40) per hour for the 2018/2019 school year. The Association considered the "supposal" offer and suggested that if the District made that offer the Association would agree to recommend it to their membership. The District then presented the offer, both sides tentatively approved the offer and the Association agreed to take the tentative agreement to its membership for a vote and would agree to recommend its contents. The proposal was voted down (68%) by the bargaining members on 3/22/18.

The Board of Education's goal throughout bargaining has been to arrive at a fair settlement that does not jeopardize the financial stability of the School District in the interests of the students, taxpayers and community as a whole. The Board of Education does not want to see the educational process interrupted, and acknowledges the value of having our teachers in the classroom.

The Board of Education believes it is important to summarize some key components of the School District's financial status so that everyone understands the Board's position.

- Certified and Non-Certified employees received a step movement increase for the 2016-2017 school year.
- During the 2016-2017 school year, Alton Community Unit School District #11 secured a line of credit with a local bank. In June 2017, the District had to utilize \$3,450,000 from the line of credit to pay the end of the fiscal year 2017 bills, including payroll. This line of credit had to be paid back with fiscal year 2018 revenue (\$3,468,077 inclusive of fees).
- The Alton Community Unit School District Education Fund balance on June 30, 2017 was **(-\$12,804,339)**.
- The Alton Community Unit School District Transportation Fund balance on June 30, 2017 was **(-\$4,657,305)**.
- Deficit spending in the Alton Community Unit School District for the 2016-2017 school year totaled \$3,513,313 in the Education and Transportation Funds combined.
- The District sought and issued \$10 million in Working Cash Bonds in the fall of 2017 in order to remain solvent and to ensure the obligations of payroll, benefits and school operations could be met over the 2017-18 school year.
- While the new Illinois funding formula calculations are indicative of Alton Community Unit School District receiving additional funding, the reports of said funding amounts have varied from \$900,000 to \$1,500,000. However, the actual amount and timing of the payments is yet to be seen.
- Alton Community Unit School District #11 had a reduction in the 2017-2018 Corporate Personal Property Replacement Tax allocation equal to \$1,286,429 less than what was received for the 2016-2017 school year.
- The Alton School District has thirty teachers currently included in the retirement incentive for the 2017-2018 school year. The retirement incentive provides for 6% compounding annual salary increases for teachers in each of their final three years of employment. The sum of these salaries for the 2017-2018 school year is \$2,035,737.29. The sum of the respective salaries during the 2016-2017 school year was \$1,750,568.74. This results in an increase of \$285,168.55 over the 2016-2017 school year.

BOARD OF EDUCATION'S OFFERS:

The Board of Education has formally made two 1 year contract offers, and, alternatively, four 2 year contract offers. In addition, the Board of Education also made a verbal offer in the form of a supposition or "supposal" during a sidebar discussion with the Association. The offers are summarized as follows:

- 1 YEAR CONTRACT OFFERS:
- 11/29/17

- Certified staff would receive no step increase but would receive \$500.00 (amount to be paid out in equal installments during the remaining months of the 2017-2018 school year).
 - **Cost would be approximately \$225,000 for certified staff**
 - Non Certified staff would receive no step increase, no increase to the salary schedule, but would receive \$125.00 (amount to be paid out in equal installments during the remaining months of the 2017-2018 school year).
 - **Cost would be approximately \$35,625 for non-certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - **Total cost would be approximately \$545,794**
- 12/04/2017
 - Certified staff would receive no step increase but would receive \$600.00 (amount to be paid out in equal installments during the remaining months of the 2017-2018 school year).
 - **Cost would be approximately \$270,000 for certified staff**
 - Non Certified staff would receive no step increase, no increase to the salary schedule, but would receive \$150.00 (amount to be paid out in equal installments during the remaining months of the 2017-2018 school year).
 - **Cost would be approximately \$42,750 for non-certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - **Total cost would be approximately \$597,919**
- 2 YEAR CONTRACT OFFERS:
 - 01/08/2018
 - Year 1 – Certified staff would receive no step increase for the 2017/2018 school year but \$800.00 would be added to each cell on the salary schedule. Horizontal education moves on the salary schedule would be approved.
 - **Cost would be approximately \$360,000 for certified staff**
 - Year 2 – Certified staff would receive no step increase for the 2018/2019 school year but \$800.00 would be added to each cell on the salary schedule. Horizontal education moves on the salary schedule would be approved.
 - **Cost would be approximately \$360,000 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Year 1 – Non Certified staff would receive no step increase for the 2017/2018 school year, but \$0.25 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$93,429 for non-certified staff**

- Year 2 – Non Certified staff would receive no step increase for the 2018/2019 school year, but \$0.25 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$93,429 for non-certified staff**
- **Total cost for 2017/2018 would be approximately \$738,598**
- **Total additional cost for 2018/2019 would be approximately \$453,429 including the aforementioned amounts for certified and non-certified increases (\$360,000 and \$93,429 respectively); it is likely that this amount could increase as retirement incentive figures for 2018/2019 are not final, therefore not included.**
- **The compounded cost of this proposal would be approximately \$1,645,456**

- 03/06/2018
 - Year 1 – Certified staff would receive step increase (\$1,196) for the 2017/2018 school year. Horizontal education moves would also be approved.
 - **Cost would be approximately \$538,200 for certified staff**
 - Year 2 – Certified staff would receive step increase (\$1,196) for the 2018/2019 school year. Horizontal education moves would also be approved.
 - **Cost would be approximately \$538,200 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Year 1 – Non Certified staff would receive no step increase for the 2017/2018 school year, but \$0.30 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$112,115 for non-certified staff**
 - Year 2 – Non Certified staff would receive no step increase for the 2018/2019 school year, but \$0.30 would be added to each cell on the salary schedule.
 - **Cost would be approximately an additional \$112,115 for non-certified staff**
 - **Total cost for 2017/2018 would be approximately \$935,484**
 - **Total additional cost for 2018/2019 would be approximately \$650,315 including the aforementioned amounts for certified and non-certified increases (\$538,200 and \$112,115 respectively); it is likely that this amount could increase as retirement incentive figures for 2018/2019 are not final, therefore not included.**
 - **The compounded cost of this proposal would be approximately \$2,236,114**

- 03/06/2018 – Last and final offer

- Year 1 – Certified staff would receive step increase (\$1,196) plus \$100 added to each cell for the 2017/2018 school year. Horizontal education moves would also be approved.
 - **Cost would be approximately \$583,200 for certified staff**
 - Year 2 – Certified staff would receive step increase (\$1,196) plus \$100 added to each cell for the 2018/2019 school year. Horizontal education moves would also be approved.
 - **Cost would be approximately \$583,200 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Year 1 – Non Certified staff would receive no step increase for the 2017/2018 school year, but \$0.35 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$130,800 for non-certified staff**
 - Year 2 – Non Certified staff would receive no step increase for the 2018/2019 school year, but \$0.35 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$130,800 for non-certified staff**
 - **Total cost for 2017/2018 would be approximately \$999,169**
 - **Total additional cost for 2018/2019 would be approximately \$714,000 including the aforementioned amounts for certified and non-certified increases (\$583,200 and \$130,800 respectively); it is likely that this amount could increase as retirement incentive figures for 2018/2019 are not final, therefore not included.**
 - **The compounded cost of this proposal would be approximately \$2,427,169**
- 03/21/2018-Sidebar Supposition or “Supposal”

During a sidebar discussion with the Association’s lead negotiator and its UniServ Director, the Superintendent and its legal representative were asked what the District’s best offer would be. They replied:

 - Year 1 – Certified staff would receive \$400 added to each cell, plus a step increase of \$1,196 for the 2017/2018 school year. Horizontal education moves would also be approved.
 - **Cost would be approximately \$718,200 for certified staff**
 - Year 2 – Certified staff would receive \$300 added to each cell, plus a step increase of \$1,196 for the 2018/2019 school year. Horizontal education moves would also be approved.
 - **Cost would be approximately \$673,200 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,168.55**
 - Year 1 – Non Certified staff would receive no step increase for the 2017/2018 school year, but \$0.40 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$149,485 for non-certified staff**

- Year 2 – Non Certified staff would receive no step increase for the 2018/2019 school year, but \$0.35 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$149,485 for non-certified staff**
- During this discussion it was agreed by both sides that if the District could offer the following formal proposal; the representatives from the Association would support and recommend the formal proposal to its voting members. Additionally, the District negotiating team would support and recommend the terms to the Board of Education.
- 03/21/2018-Formal offer:
 - Year 1 – Certified staff would receive \$400 added to each cell plus a step increase of \$1,196 for the 2017/2018 school year. Horizontal education moves would also be approved.
 - **Cost would be approximately \$718,200 for certified staff**
 - Year 2 – Certified staff would receive \$400 added to each cell plus a step increase of \$1,196 for the 2018/2019 school year. Horizontal education moves would also be approved.
 - **Cost would be approximately \$718,200 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Year 1 – Non Certified staff would receive no step increase for the 2017/2018 school year, but \$0.40 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$149,485 for non-certified staff**
 - Year 2 – Non Certified staff would receive no step increase for the 2018/2019 school year, but \$0.40 would be added to each cell on the salary schedule.
 - **Cost would be approximately \$149,485 for non-certified staff**
 - **Total cost for 2017/2018 would be approximately \$1,152,854**
 - **Total additional cost for 2018/2019 would be approximately \$867,685 including the aforementioned amounts for certified and non-certified increases (\$718,200 and \$149,485 respectively); it is likely that this amount could increase as retirement incentive figures for 2018/2019 are not final, therefore not included.**
 - **Compounded cost would be approximately \$2,888,224**

BOARD OF EDUCATION’S REACTION TO THE ALTON EDUCATION ASSOCIATION’S OFFERS:

The Alton Education Association made five one year contract offers/counter offers.

- 11/29/2017 - First 1 YEAR CONTRACT OFFER:
 - Certified staff members would receive a step increase of \$1,196 in addition to every cell on the salary schedule being increased by 4%.

- **Cost would be approximately \$1,909,990 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Non-Certified staff would receive \$1.00 per hour increase
 - **Cost would be approximately \$373,713 for non-certified staff**
 - **Total cost for 2017/2018 would be approximately \$2,568,872**
- 12/4/2017 –Second 1 YEAR CONTRACT OFFER:
 - Certified staff members would receive a step increase of \$1,196 in addition to every cell on the salary scheduled being increased by 4% of the base salary (BA, Step 1) or \$1,406.
 - **Cost would be approximately \$1,170,900 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Non-Certified staff would receive \$1.00 per hour increase
 - **Cost would be approximately \$373,713 for non-certified staff**
 - **Total cost for 2017/2018 would be approximately \$1,829,782**
- 01/08/2018 –Third 1 YEAR CONTRACT OFFER:
 - Certified staff members would receive a step increase of \$1,196 in addition to every cell on the salary scheduled being increased by 3% of the base salary (BA, Step 1) or \$1,054.
 - **Cost would be approximately \$1,012,500 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Non-Certified staff would receive \$.80 per hour increase
 - **Cost would be approximately \$298,970 for non-certified staff**
 - **Total cost for 2017/2018 would be approximately \$1,596,639**
- 01/24/2018 –Fourth 1 YEAR CONTRACT OFFER:
 - Certified staff members would receive a step increase of \$1,196 in addition to every cell on the salary scheduled being increased by 2.75% of the base salary (BA, Step 1) or \$967.
 - **Cost would be approximately \$973,350 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Non-Certified staff would receive \$.80 per hour increase
 - **Cost would be approximately \$298,970 for non-certified staff**

- **Total cost for 2017/2018 would be approximately \$1,557,489**
- 03/06/2018 –Fifth 1 YEAR CONTRACT OFFER:
 - Certified staff members would receive a step increase (\$1,196) in addition to \$800 added to each cell.
 - **Cost would be approximately \$898,200 for certified staff**
 - Increased cost of those receiving the retirement incentive: **\$285,169**
 - Non-Certified staff would receive a \$.40 per hour increase plus step (\$.25)
 - **Cost would be approximately \$242,914 for non-certified staff**
 - **Total cost for 2017/2018 would be approximately \$1,426,283**

CONCLUDING REMARKS

Teachers in Alton CUSD #11 are deserving of more pay, as are teachers all over this state and country. The tireless work of our teachers and staff is to be honored, admired and rewarded through a fair salary increase to the best of the school district's ability. Sadly, based upon our current system of funding public education in Illinois, communities can only support salaries that mirror their local tax base. While the State of Illinois is planning the move to utilize an evidenced-based funding formula, it will take years upon years for the district to recover from the debt accumulated over the years due to inadequate funding. Also, as previously mentioned, the amount of additional funding Alton CUSD #11 is expected to see has been reported in varying amounts from \$900,000 to \$1,500,000 under the new funding formula, but the actual amount and timing of payments is yet to be seen. Conversely, the decrease in our CPPRT funds of nearly \$1.3 million will nearly wash away the entire increase even if the highest of the reported amounts is received.

Although teaching salaries in Alton CUSD #11 remain competitive enough with the surrounding area to still attract and hire quality teachers, state and local finances must improve in the very near future. This must occur in order for the district to provide the increases our staff request and deserve while also increasing our average salaries to better compete with those of surrounding downstate districts.

Even though the Board of Education and District Administration believe teachers are deserving of a wage increase for their hard work and their contributions to the success of the School District, the Board of Education cannot agree to a proposal that will place the School District at risk financially. Moreover, the Board of Education cannot agree to any proposal that may cause it to have to further reduce staff or programs or ask the general public to support a referendum as a means to pay for a wage increase. As mentioned, the District is currently operating on cash provided through the issuance of \$10 million in Working Cash Bonds – this is a financial loan/obligation that taxpayers will assume with an increase to the tax rate as a result.

Reducing staff and programs would not be in the best interests of our students educationally, because significant and deep cuts have already transpired over the past seven years. During the past seven years, the District completed over \$6 million in cost reduction measures in the areas of administration, instruction, operations and others.

Unfortunately, the proposals offered by the AEA would cause the School District to continue to deficit spend beyond anticipated future revenues and beyond the Working Cash Bond proceeds. Thus, this would require the Board of Education to reduce staff and programs as a means to pay for these reoccurring wage increases. Ultimately, class sizes would have to increase to unimaginable levels as well as catastrophic program and service losses for students and families.

The Board of Education remains willing to meet with the AEA to discuss any reasonable means of arriving at a contract proposal that allows the District to be fair to teachers and staff while remaining fiscally responsible to the students and taxpayers. Therefore, the District will strongly consider any reasonable offers in an expeditious manner to achieve this end result.

Submitted by the Board of Education of Alton Community Unit School District No. 11