

NEGOTIATION MINUTES

April 23, 2014

DISTRICT ADMINISTRATION PRESENT: James Gilbert, Cliff Ogborn, Rick Checketts

MHEA PRESENT: Robynn Schipani, Rosemary Ash, Karen Kohring, Terri Sanders, Rita Olson, Rhonda Urquidi, Rich Urquidi

MINUTES: Sharon Whitman

OTHERS PRESENT: Marilyn Kellerman, Denise Weis, Albert Longhurst, Sherri Ybarra, Lynn Knudsen, Deena Smith, Brandi Garlitz, other teachers

NEGOTIATIONS STARTED: 4:55 p.m.

These negotiation minutes are a transcript of the conversations of the negotiation meeting. The intent, meaning, and direction of the conversations are transcribed below; not every word spoken has been transcribed. The negotiation meeting was recorded by both the District Administration Office (Administration) and the Mountain Home Education Association (MHEA). For a copy of the audio, please contact either the MHEA (Rosemary Ash) or the District Office (Sharon Whitman).

1. James opened the meeting by welcoming everyone -
 - James - informed everyone that Mrs. Ybarra and Mr. Longhurst were sitting in on negotiations as part of a class they are taken through the U of I.
2. Introduction of the Negotiating Committee -
 - MHEA: Robynn Schipani, Rosemary Ash, Karen Kohring, Terri Sanders, Rita Olson, Rhonda Urquidi, Rich Urquidi
 - DO: James Gilbert, Cliff Ogborn, Rick Checketts
 - Recorder: Sharon Whitman
3. James – the first order of business is to come to an agreement that Sharon Whitman would be recording and transcribing the official minutes for the negotiation meeting(s).
 - Rosemary – clarified that it would be the official minutes.
 - All parties agreed
4. James – previously emailed the committee the areas that the administration was interested in discussing this year. The two areas are adding two days to the contract for professional development and discussion about the insurance increase for next year.
 - James – we [Cliff and James] received our official rate increase for medical; we [Cliff and James] are still waiting for the dental portion. (Cliff and James met with Regence and HUB the previous evening)
 - James – handed out the Regence Rate Projection for 2014-15 school year.
 - James – reviewed the information with the committee.
 - * Line 34 – recommended rate adjustment
 - They [Regence & HUB] originally wanted a rate increase of 15.4%.
 - We [Cliff and James] negotiated it down to 11.9%.
 - This [rate increase] might sound drastic, but there was a time not too long ago that the rate increase was 40%.
 - * Line 25 – Broker Commission
 - The line reflects zero (0).

- This is because Regence forgot to include the HUB (broker) commission on the Rate Renewal Calculations; because of that, Regence honored the zero (0) for the district and will pay for the HUB broker commission.
 - Freebie for us this year – the cost of broker commission is about 1% of the total contract
- * James - with no change to our plan right now, some of highlights that happened with changes to the Affordable Healthcare Act caused automatic changes to the program that we have to implement and the biggest one for all of us is that there is a change in your [staff] out of pocket maximum.
 - Currently the out of pocket max is \$3,000, under the Affordable Care, everything you [staff] now spend medically goes towards your out-of-pocket maximum; before, your [staff] deductible didn't go towards the out-of-pocket until you hit out-of-pocket, so the \$1,300 or \$1,250 now goes towards the out-of-pocket maximum...all your copays and all your prescription costs goes towards the out-of-pocket maximum.
 - Even though out-of-pocket went up, you'll "hit" it a lot faster. It's still a positive, better benefit for all employees.
- * Lines 26-28 – All new taxes under the Affordable Healthcare Act
 - These [new taxes] are the big changes.
- * Lines 13-16 – Projected Claim Cost (Trends)
 - Medical trend this year was 8.9%, they [a separate trend analysis company] take medical trend and compound it and that's how they came up with 11.9% rate increase.
- Terri - asked about Line 14, under Projected Claim Costs and she said that the annual trend on the insurance sheet shows 8.38% on the medical, so they [insurance company] must build in a percentage above that amount to create a buffer and could James explain that to her.
 - * James - they have a company that projects trends for different parts of the country so they take that projection, but then they also look at our current usage and adjust it higher or lower than what the trend for this area is.
 - * James - the issue is whether the company providing the trend is accurate and Regence isn't even sure, but that [trend analysis] is what is used and it's used nationwide; it's the average cost of service for the area one is in.
 - James – we were told that Northern Idaho medical trend is higher.
 - Cliff – asked Regence for a copy of the trend document, but Regence replied that they don't provide that...the company that provides the trend analysis doesn't release the document.
 - * James – said that the only thing that we can control is our own costs on our plan, we can't control trend costs.
 - * Cliff – added that Line 12 is the adjusted incurred claims cost over 18-months, and the anticipated projected incurred claims cost is on Line 2.
 - Cliff – explained to everyone that Lines 17-20 are added into the projected claims costs...estimated medication rebates, free child immunizations, we [district] pay \$7,000 for the free child immunizations in the state of Idaho, admin costs, the Affordable Healthcare Act taxes, so that's how they back into \$2.3 million projected total costs and that's how they come up with the rate adjustments for us.
 - * Terri – asked if Lines 1-9 are Mountain Home only; Lines 10-34 are projections and rates and...
 - Cliff – clarified that Lines 10-22 are estimates of projections based upon trend and everything from Lines 23-31 is specific to our group (Mountain Home).
 - James – part of the thing with Regence is that we are relatively new with them they can only take our current claims to determine our actual trend. Last year we had relatively little claims, but this year is different...claims fluctuate every year.
 - Discussion continued about past and present claims
 - Terri – asked if the \$339,504 (Line 7) was our pool, and James replied that it was our cost in excess of \$125,000.

- * Terri – asked if this (Rate Renewal Calculation for Mountain Home SD) is to be shared because Robynn is on the insurance committee and you [James] said that you (Cliff and James) just met with them [Regence] yesterday...
 - James – clarified that yes, he and Cliff did meet with them yesterday...this was the first [meeting] to get final numbers on it [insurance], and there will be an Insurance Committee meeting soon to review this information, but with that kind of rate increase, the discussion needs to start first with how do we pursue this information
 - James – said that HUB informed us that this was only medical, dental rates (Delta Dental) are estimated at 18% increase and even HUB doesn't know why such a large rate increase... Willamette Dental is only projecting a rate increase of 1.5%. HUB is trying to get more information from Delta Dental to see why they are projecting such a high increase (18%) in their rates.
 - * Terri – asked about the 11.9% and could you [Cliff or James] equate that to a dollar figure.
 - Cliff – it would be about 4.05%-4.53% per individual...about \$50 per employee.
 - James – total insurance cost is up \$219,000 for the district.
 - * Rosemary – asked whether Line 33 – Prescription figure was a negative -11.4%
 - James – responded yes.
 - Rosemary – said it was funny that we need an 11.9% increase when the Prescription is a -11.4%.
 - James – it was explained to them that people have been very vigilant to alternative drugs as recommended from their doctor's rebates, generic, and Regence rebates from the drug companies, which contributed to the lower rate adjustment.
 - Karen – asked if any consideration had been made to reconfiguring family versus employee + spouse [benefits].
 - * James – this is “apple-to-apples” of what the district has as insurance, not as a benefit.
 - * Rich – asked if this is something the Insurance Committee would discuss.
 - James – it would, but the conversation needed to start at this negotiations; address the 11.9%. He added that the insurance committee would address higher deductible, higher out of pocket, etc.
 - Rich – asked if the insurance companies gave anything to the district for working with them, an incentive...or that we have them.
 - * James – asked for clarification...
 - * Rich – for example, Allied Waste gives soccer balls to City Recreation...do they have any incentives for us to use their company.
 - * James – no, but it's something that can be brought up to them regarding what they can contribute to our students.
5. James – presented the budget hearing recommendations (negotiations portion) that were presented to the School Board. He said that if agreed upon, we [administration] would like to increase your [certified employees] contract days by two (2) days.
- James – there are a couple of reasons for this; the Board's priority has always been that when the opportunity presented itself [financially], to return the days that were furloughed from staff...this is the first year the Board has had that opportunity.
 - James – the intent is to add two Professional Development days, so the question that will come up from the community is how the school district is paying for this.
 - * James – this is money that the legislature had a line item in the state budget that allocated \$9.6 million to school districts to implement professional development...it's very clearly written in the intent language that it must be used on professional development.
 - * James – we [administration] decided that the best route for this is to restore some of the professional development that staff has lost.
 - James – everyone has been asked to do more, and prepare more with less of a contract day to do it.

- James – the two days that we would like to add is one day of curriculum and one day of technology.
- James – if this group agreed, to add the two days back and we as a group would decide where we want to see those days...get the most “bang-for-the-buck.”
 - * James – added that depending on where those days are placed, we [district] lose participation from staff.
 - James – said that he hated to be blunt, but if we add two days to the end of the school year, people [staff] aren’t going to be there...I’m not saying it is right or wrong.
 - * James – suggested that for the best value, we pick a date in the fall and a date in the spring and state that these are the two new additional days, what it does is it pushes the calendar back two additional days; we wouldn’t start any earlier.
 - James – at the secondary level, instead of a 90-day semester, there might be an 89-day semester and a 91-day semester, but for the first year this is fair.
 - * James – the money set aside by the state to pay for this...the intent language is that they were going to give school districts \$15,000 as a base for professional development, and then \$350 per certified employee to the district (HB638), so our share of money would roughly pay for a little more than a day...that is coming in from that additional professional development money.
 - James – again, it pays for a little more than one day, but we [administration] didn’t see any value to add 1.1 day to your contract, so the discussion was how we make it two days.
 - James – the other part of this is going to come out of the change in funding from the frozen corner from the state on the salary schedule...there’s some additional funding with them moving the minimum up, and with the phony corner that they reimburse to the district, so we will also utilize that to cover those two additional days.
 - Cliff – added it was also from the increase in the base.
 - * James – this roughly amounts to around a 1.01% increase in salary.
 - * James – said that for the members here and on staff, he wanted to make it abundantly clear our teachers are still not back to the 190-day contract that was cut in 2008...nobody is back to the number they were at.
 - James – this is the Board’s priority, for the days they had to furlough was to start bringing these days back.
 - * James – that would bring the certificated days up to 187-days from 185; student contact days are 180-days.
 - James – Rich researched and found that one of the student contact days IAW Idaho Statutes is allowed to be a professional development day, so on the current calendar you’ll see a PLC day (August 12), the state counts that as a student contact day. It’s those types of days that will take you up to 187 contract days.

NOTE: Only PD days after the start of school count as student contact days, not those before the start of school and those after the last day of school. Only 22 total professional development hours can be counted no matter the amount of professional days in the school calendar (I.C. 33-512).

- Rhonda – wanted clarification of the difference between PLC Days and professional development for our vocabulary.
 - * James – they’re tied together.
 - * Rhonda – when we started PLC, it was very much a grassroots thing coming from people working together and talking together about what we are doing with our kids. Professional Development seem more like a bigger picture, like the district having someone come in and work with us to create that vision to move forward, but they seem really different and I wondered if there was a way to distinguish the two.
 - * James – to get into the “nuts & bolts” of this...I don’t know how to address that [question]. This goes back to...as the state gives us money back, they attached strings to it too. In this case, the string with that money is that it has to be used for professional development.

- James – ...how do you get the most out of that limited amount of money and at the same time how do we get days back into the contract using that money.
 - James – to answer that [question], the PLC Days were always part of the professional development, they are the same. I understand where you are coming from, and I'll be the first to tell you that I would love it if it was the good old days of where there was enough additional money to provide individual professional development to every staff member, but those days are long gone.
 - James – part of that is how the state distributes the money...instead of it being discretionary funds where local districts determine how to spend it, the state is saying here's your increase, BUT here's the requirement and the intent language that goes with it. It's a change of how the state distributes money to the districts...they [state] preach local control, but I don't think that's their intent...they want true local control.
 - * Rich – [for example] the Oct 13 day is going to be professional development where districts get together to do things, whereas [if] Oct 13 is a PLC Day, which is going to be smaller...I look at that as smaller groups...what they [smaller groups] want to do within that group. I think that's more the language. As a teacher, I can gear up to what it's going to be [PLC or PD].
 - * James – it's the evolution of it, if you go back to when the PLC started, you didn't have these initiatives in place, [initiatives] that we're trying to address, rapidly, within the entire staff. Someday that may change too, but at this point, you're still not back to a 190-day contract.
 - James – ...when we're back to 190-days, my hope is that some of those days come back as more building days.
 - * Rich – we need to change the language and say these are professional development days, move the PLC Days off of it [district calendar]...it's just the language part.
 - * Rhonda – having colleagues talk and work together and build ideas, lesson plans, and designs...that is PLC, professional development is a different level than that.
 - * James – not to be rude, but that's your interpretation of it, we are all a professional learning community, it's simply a name to the professional development.
 - * Rich – ... (*inaudible*).
6. James – referencing the previous night's budget workshop, we [administration] would like to offer for FY15...add two additional contract days back to the certified staffs' contracts and in the addition to that, the district would like to cover the 11.9% increase in healthcare, and that money will be paid for by the increase in the discretionary funding from the state...\$200 per support unit...along with some of the additional money from the phony corner.
- James – part of the reason that we [administration] are able to offer that is because we were able to add those days back to the contract from a dedicated fund from the state.
 - Rosemary – asked if there were any questions or comments. There were none.
7. Rosemary – going down a totally different road than you [James] went down, I would like to discuss with the team, especially with the additional people sitting on the outside of this (there were an additional ten or more people in attendance), and discuss the structure of how we're going to run the meetings, guidelines, ground rules...
- James – said that he was going to cut Rosemary off from the direction she was heading and stated please don't take this as an offense, but we're [administration] not interested in setting up the ground work in a written format, and there are a couple of reasons for this.
 - * James – some of you were involved in this, the last time we went through this, the district team got burned very badly by a member of the association team, and I hate to say this, there are still some hard feelings with that, and we are not going to put the time into building guidelines to this that carry on.

- James – my intent is to have a civil conversation with the group of educators who are here and who have every right to speak up and disagree with me...that’s all I’m asking for. I can tell you that we are not interested in going through that process again.
- * Rosemary – clarified that administration wanted to stay more the traditional bargaining and not with the (*inaudible*).
- * Rhonda – asked what that meant, because it doesn’t sound to me like you [James] said traditional bargaining, it sounded like you want a conversation.
- * James and Rosemary – it [negotiations methods] is pretty traditional.
- James – what I just offered is the offer.
- Rich – asked if the association can bring something back [to the table].
 - * James – the association can bring anything back that they want. I’m willing to discuss anything, but what I’m going to tell you is what is going to guide the discussion from the Board-end of things...is that whatever is brought has to have a financial implication in the positive to the district.
 - James – I bring that up because I know that some of the issues are language issues that the association wants to bring up. It has to be a decision that is financially responsible as a district. I don’t want it to become that what you present is what “we feel we need because...,” “we feel people need to hear...,” and “we feel...”
 - James – I would love to give you everything that we can, but the issue with it is we have to identify how things are paid and truly what the benefit are to the district.
 - * James – I leave that with you, so that if you want to bring language issues to the table, that’s the only way we are to go into a lengthy discussion with you...what is the benefit not just to the staff, but to the district.
 - Rich – aren’t those all the same thing.
 - * James – no and this goes back...there’s a lot of history to it...
 - Rich – I wasn’t aware of the history of this...this is the first time I’ve sat at the table.
 - * James – clarified that if you [association] want to look at what you can bring back to the table, as a financial component...how it is going to be paid.
 - James – I’ve discussed this with Rich before and said that you can present anything to us. If you said that you want all the contract days back now...great, but what are you [association] going to give up to get it back.
- James – let’s say there is a pot of money and that pot doesn’t grow, it’s just how we [administration] divide it up. Our proposal to that pot of money is to add two days back and to cover the healthcare increase.
 - * If you [association] collectively think that isn’t adequate and would like to see something different, please...when you present that, tell us how you would like us to cover those changes...that’s how this works...there has to be a way to pay for it.
- Rich – looking at the language stuff...if it doesn’t have anything to do with...define what you [James] mean...if it doesn’t have anything to do with money and if there’s a benefit both ways...
 - * James – there are very few things in old and new language that aren’t in some way, shape, or form tied to money. That doesn’t mean it’s bad.
 - * Rich – so if it’s a wash, and there’s something in policy that’s a wash, and we want language back in the Collective Bargaining Agreement (CBA), what do we need to do.
 - * James – there isn’t going to be much that comes out of policy and go back in the CBA.
 - James – reminded everyone that he used to negotiate for the association and he knows that once language goes into the CBA, it doesn’t come out...you cannot hamstring a school board with those kinds of things.
 - James – there’s a reason that we tried to put all of that [CBA language] into policy...because it’s fair to the employees, but at the same time the financial structure may change and the Board has to be able to react...policy is very fair.

- * James – people [employees] need to utilize the public input policy (Guaranteed Policy Input: Teachers / Staff / Patrons) if they feel there’s an issue. It takes three readings in front of the Board to get the policy approved and the Board does listen to input on that policy, and [at times] it changes the policy...don’t think there isn’t an avenue there [to give input on policy]. The Board looks at policy as good for all staff and not just teachers.
 - Rich – if there’s a policy to bring to the Board, can we [association].
 - James – yes, contact Sharon and have her bring your suggestion to the Policy Committee. The committee reviews it and then it goes to the Board.
 - Rich – does it have to get passed by the committee to get to the Board,.
 - James – yes.
 - Rich – who is on the committee.
 - James – some building principals, some administration, and a couple of classified...
 - Rich – so there isn’t an MHEA [association] representative.
 - James – responded that building principals were on the committee and that’s your [association] ally in this...there’s a reason we don’t have building principals on Negotiations anymore.
 - * Rich – is that something that the association could ask, is to have a union representative on the committee.
 - It was asked who would pay for the substitute.
 - Rich – responded the cost would be to the MHEA...he asked if that was something that would be considered.
 - * James – informed everyone that where a policy starts...there has to be a need (issue), a need (issue) for more than just one person.
 - James – if there is truly an issue, which you as staff realize that there is no guideline...if the high school determines that there is no guideline for a particular issue, that’s when you [association and/or staff] go to your principal and ask about a policy...use your principals.
 - James – policy is to guide how business is done.
 - Rich – said that this is supposed to be a team and he doesn’t see the [Policy] Committee as a team; principals aren’t MHEA members.
 - * James – asked why they [principals] have to be a member, because using that logic, only the association input matters.
 - Rich – disagreed
 - * James – that’s why you need to bring it to the building principal.
 - Rich – said he was just trying to figure out the process.
8. James – concluded by informing Rosemary that the proposal on the table is what the administration has to offer.
- Rosemary – replied that they [MHEA] would have to convene and discuss the proposal and suggested another meeting be scheduled.
9. The Negotiations Committee will meet May 6, 2014, at 4:45 p.m.
10. Meeting ended 5:40 p.m.