

**District School Board of Indian River County
6500 – 57th Street, Vero Beach, FL 32967
Special Meeting Impasse Hearing**

Date: December 5, 2016

Time: 5:00 p.m.

Room: Teacher Education Center (TEC)

It is hereby advised that if a person decides to appeal any decision made by the Board with respect to any matter considered at this meeting, he/she will need to ensure that a verbatim record is made that includes the testimony and evidence upon which the appeal is to be made.

AGENDA

Special School Board Meeting

Public Hearing to Legislate Impasse between the Superintendent of the School District of Indian River County, Florida and the Indian River County Education Association

I. Call Public Hearing to Order - Chairman

II. Purpose of the Public Hearing - Chairman

This is a public hearing conducted by the School Board of Indian River County, Florida, ("School Board") pursuant to §447.403, Florida Statutes, to resolve an impasse in negotiations between the Superintendent of the School District of Indian River County, Florida ("Superintendent"), and the Indian River County Education Association ("IRCEA") involving unresolved issues for the 2016-2017 fiscal year of the Collective Bargaining Agreement.

IRCEA declared impasse pursuant to Chapter 447, Florida Statutes and the parties jointly waived the Special Magistrate process.

Pursuant to §447.403(4), Florida Statutes, and communications to the parties on October 28, 2016, both parties have submitted to the School Board their recommendations for settling the impasse issues. This public hearing is now required pursuant to §447.403(4)(c), Florida Statutes, in order that each party is afforded the opportunity to explain their positions to the School Board with respect to the impasse issues.

This proceeding is open to the public to observe, but it is a labor proceeding with specific statutory requirements and only the two parties, the Superintendent and IRCEA, will make a presentation to the School Board.

Each party will be afforded one (1) hour to present their positions on the disputed impasse issues. In order to allow each party to fully make their presentations, School Board Members will hold any questions until the end of each party's presentation. As IRCEA declared impasse, IRCEA will be called upon first and the Superintendent will be called upon next. Upon the conclusion of the presentations by both parties, the School Board Members will have an opportunity to ask any final questions, deliberate, and then vote on resolution of the impasse issues.

Finally, the School Board intends to take a brief break approximately every two (2) hours.

- III. Introduction of Parties to the School Board - Chairman
- IV. Presentation by IRCEA – not more than one (1) hour
 - A. School Board questions of IRCEA's presentation.
- V. Presentation by the Superintendent – not more than one (1) hour
 - A. School Board questions of Superintendent's presentation.
- VI. School Board Final Questions and Deliberation - Chairman
- VII. School Board Motion and Vote on the Resolution of the Issues at Impasse - Chairman
- VIII. Adjourn the Public Hearing - Chairman

Anyone who needs a special accommodation may contact the School District's American Disabilities Act Coordinator at 564-3175 (TTY 564-2792) at least 48-hours in advance of the meeting. NOTE: Changes and amendments to the agenda can occur 72-hours prior to the meeting. All special meetings will be held in the Teacher Education Center (TEC) located in the J.A. Thompson Administrative Center at 6500 – 57th Street, Vero Beach, FL 32967, unless otherwise specified. The agenda can be accessed by Internet at <http://www.indianriverschools.org>. This meeting will be audio taped and posted to the website.



Indian River County Education Association

P.O. Box 2018, Vero Beach, FL 32961, Telephone 772-675-1066/Fax 772-778-9733/Affiliated with the AFT, NEA, AFL-CIO, FEA

November 14, 2016

Re: IRCEA Recommendations to Resolve Impasse between SDIRC and IRCEA

Dear School Board Members:

Pursuant to 447.403(4)(b), Florida Statutes, and the instructions in School Board Attorney Suzanne D'Agresta's memorandum dated October 28, 2016, the Indian River County Education Association ("IRCEA") respectfully submits the following recommendations to resolve the impasse between IRCEA and the School District of Indian River County ("SDIRC").

The parties initiated negotiations for the 2016-17 contract year on May 12, 2016. A total of nine sessions were held before IRCEA declared impasse on October 26, 2016. Many issues were raised and successfully resolved through tentative agreement at the bargaining table.

SDIRC's health insurance fund is currently operating at a deficit due to failure by its insurance consultant to set appropriate premiums in previous plan years. Additional contributions to the fund were deemed necessary by Aon-Hewitt, the District's current insurance broker, in order to build up a sufficient reserve to cover 60 days' worth of claims against the health insurance plan, as required by Chapter 112.08, Florida Statutes. The parties are in agreement that the burden of these costs will be borne by SDIRC.

Aon-Hewitt has also recommended that total premiums being paid into the plan be increased by approximately 32% to stabilize the fund for the current year and future years. The only item that remains in dispute to be resolved by the School Board is how this increase should be distributed among the Board and employees in the various plans and tiers.

SDIRC initially offered that the Board contribution to health insurance premiums remain at \$453 per month, meaning employees would bear the entire burden of the increased premium. IRCEA's initial offer was for the Board contribution to increase to \$664 per month. When IRCEA declared impasse, SDIRC's proposal for the Board contribution to health insurance premiums had increased to \$533 per month, and IRCEA's had decreased to \$574 per month.

IRCEA believes that the interests of the District, the bargaining unit members, and the students of the School District of Indian River County will best be served through adopting – for the remainder of the 2016-17 plan year – the rates shown in the following table:

Tier	Total Premium			Board Contribution	Employee Contribution		
	5770	5772	5774		5770	5772	5774
Employee	\$ 777.00	\$ 627.45	\$ 566.45	\$ 585.00	\$ 192.00	\$ 42.45	\$ 0.00
Employee + Sp	\$ 1,285.00	\$ 1,037.00	\$ 936.00	\$ 585.00	\$ 700.00	\$ 452.00	\$ 351.00
Employee + Ch	\$ 1,259.00	\$ 1,017.00	\$ 918.00	\$ 585.00	\$ 674.00	\$ 432.00	\$ 333.00
Employee + Fam	\$ 1,435.00	\$ 1,158.00	\$ 1,046.00	\$ 585.00	\$ 850.00	\$ 573.00	\$ 461.00

The above rates take effect December 1, 2016. Corresponding changes to Appendix G of the Contract are attached.

The above rates are sufficient to balance insurance fund revenues (premiums) and expenses (claims) if paid for eleven months during the 2016-17 plan year. However, only ten months will remain in the plan year by the time impasse between the parties is resolved. The Board contribution would need to be \$598 per month to balance the insurance fund over a ten-month period. If the impasse is resolved as recommended by IRCEA, IRCEA would support a future recommendation by the Superintendent to make a one-time payment from the General Fund to the insurance fund in the amount of \$13 PEPM.

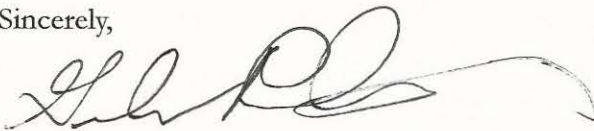
In recognition of the potential for resolution of impasse as described above to impact the General Fund, IRCEA further proposes a trigger mechanism by which the District could recover any shortfall attributable to adoption of the insurance rates described above. Under this proposal, should the amounts in the accessible portions of the District's General Fund Balance be reflected as being lower on the 2016-17 Annual Financial Report than projected on the 2016-17 Summary Budget, then the following would happen:

1. The Board contribution to health insurance premiums would reduce to \$533 per month beginning October 1, 2017 and would remain at that amount pending the outcome of negotiations for the 2017-18 contract year.
2. The total contribution made in excess of the District's proposed Board contribution of \$540 per month during the 2016-17 school year would then be recovered by the District from each employee in installments of no greater than \$37.50 per paycheck up to a maximum of \$492.

A copy of a Memorandum of Understanding presented to the District's bargaining team on October 26, 2016 describing this proposal in further detail is attached.

The IRCEA team looks forward to exchanging ideas with the District team and Board members at the Impasse Hearing on December 5, 2016.

Sincerely,



Graham Picklesimer,
Treasure Coast Service Unit Director
Florida Education Association

C: Dr. William Fritz, Assistant Superintendent of Human Resources & Risk Management, SDIRC
Dr. Mark Rendell, Superintendent, SDIRC

Appendix G – Contributions to Health Insurance Plans

Blue Options 5772	<u>2016-17</u>Total Contribution Per Paycheck
Board Contribution	<u>\$292.50</u> 226.50
Employee Only	<u>\$21.50</u> 18.50
Employee Spouse	<u>\$226.00</u> 178.50
Employee Child(ren)	<u>\$216.00</u> 170.50
Employee Family	<u>\$286.50</u> 225.50
	-
	-
Blue Options 5770	<u>2016-17 Total Per Pay</u>2014 Total Per Pay
Board Contribution	<u>\$292.50</u> 226.50
Employee Only	<u>\$96.00</u> 54.00
Employee Spouse	<u>\$350.00</u> 237.50
Employee Child(ren)	<u>\$337.00</u> 228.00
Employee Family	<u>\$425.00</u> 291.50
	-
	-
Blue Options 5774	<u>2016-17 Total Per Pay</u>2014 Total Per Pay
Board Contribution	<u>\$292.50</u> 226.50
Employee Only	<u>\$0.00</u> 0.00
Employee Spouse	<u>\$175.50</u> 128.00
Employee Child(ren)	<u>\$166.50</u> 121.00
Employee Family	<u>\$230.50</u> 169.50

By way of example only, for an employee in 2016-17 who has enrolled their whole family (spouse and children) in the Blue Options 5772, the Board will contribute ~~\$226.50~~\$292.50 per pay period from the Board towards health insurance, and the employee will contribute ~~\$225.50~~\$286.50 per pay period towards health insurance.

Memorandum of Understanding
between
The School District of Indian River County
and
The Indian River County Education Association

In recognition of the difficulty in balancing the competing interests of shielding employees from large and unavoidable increases in health insurance premiums and maintaining fiscal discipline, the parties agree to the terms described below.

Should the total amount in Functions 2730 ("Committed"), 2740 ("Assigned"), and 2750 ("Unassigned") of the General Fund Balance as reflected on the District's 2016-2017 AFR be less than that reflected on the District's 2016-2017 Summary Budget (namely, \$11,566,908.76), then the Board contribution to employee health insurance shall be reduced to \$266.50 per pay period effective the first benefit deduction for the 2017-18 plan year. In addition, the Board shall recover from employees the difference between said amounts in the following fashion:

1. The difference shall be prorated according to the percent of covered lives attributable to the IRCEA bargaining unit as recorded following enrollment for the 2016-17 plan year.
2. The amount determined in (1) shall be divided by the number of IRCEA MBUs participating in the District's group health insurance plan for the 2017-18 plan year.
3. The amount determined in (2) shall be deducted from the paycheck of each MBU participating in the District's group health insurance plan for the 2017-18 plan year. The deduction shall occur in installments of no greater than \$37.50 per paycheck until fully recovered, or until a maximum of \$492 has been recovered, whichever happens first.

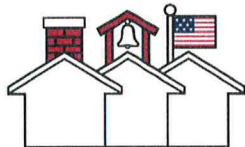
This memorandum shall set no precedent, and shall remain in effect unless and until the parties mutually agree otherwise in writing. All other terms of the 2015-2018 SDIRC-IRCEA Collective Bargaining Agreement shall remain in full force and effect, and nothing contained herein shall be construed as a waiver of either party's right to negotiate any of its terms.

For the District

For the Association

Date

Date



School District of Indian River County

6500 57th Street • Vero Beach, Florida 32967 • Telephone: 772-564-3000 • Fax: 772-569-0424

Mark J. Rendell, Ed.D. - Superintendent

November 4, 2016

Dear School Board Members:

Thank you for allowing the opportunity to share the District's written recommendation for settling the Impasse. The parties have been in negotiations since May 12, 2016, regarding the re-openers within the current Collective Bargaining Agreement covering the period from July 1, 2015 to June 30, 2018.

Topics that have been discussed and agreed upon include multiple language changes including the following:

- the Teacher Evaluation Procedures (TEP) manual,
- Title I Differentiated Pay,
- Recognition Clause,
- Supplements for extended year teachers, and
- Job Shares.

Each of these agreements are memorialized with a signed tentative agreement.

The only matter that is still in disagreement is insurance rates and the Board's contribution to the premiums. Appendix G of the Collective Bargaining Agreement (Attached) contains the current insurance rates for bargaining unit members.

Due to a shortfall in the district's self-insurance program, the Health Insurance Fund ended the fiscal year with a balance of -\$3,928,735.

The District's insurance consultant, Aon-Hewitt, has conducted a professional actuarial analysis of the premiums needed to balance fund revenues (premiums) and expenditures (claims). This analysis resulted in a recommendation of an increase in total premiums of 32% over the current rates. This increase does not include any charge to premiums for replenishment of the negative balance in the insurance fund, nor does it include any charge to premiums to replenish the FS 112.08 "safe harbor" reserve requirement.

The Superintendent respectfully recommends the following rates to be included in Appendix G of the Collective Bargaining Agreement to resolve the Impasse:

"Educate and inspire every student to be successful"

Shawn R. Frost
District 1

• Dale Simchick
District 2

• Matthew McCain
District 3

• Charles G. Searcy
District 4

• Claudia Jiménez
District 5

"To serve all students with excellence"
Equal Opportunity Educator and Employer

Proposed 12/5/2016 for Impasse

Rates to be Paid over a 10-Month Period with Board Contributions, as Noted

	Total Premium			Board Contribution	Employee Responsibility		
	5770	5772	5774		5770	5772	5774
Employee	\$770.00	\$671.00	\$582.00	\$540.00	\$230.00	\$131.00	\$42.00
Employee + Sp	\$1,279.00	\$1,115.00	\$975.00	\$540.00	\$739.00	\$575.00	\$435.00
Employee + Ch	\$1,253.00	\$1,093.00	\$956.00	\$540.00	\$713.00	\$553.00	\$416.00
Employee + Fam	\$1,429.00	\$1,246.00	\$1,090.00	\$540.00	\$889.00	\$706.00	\$550.00

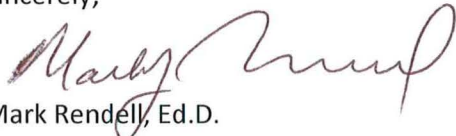
Effective as of December 1, 2016

Amend language in Appendix G accordingly

If resolved as described above, the actual prospective Board Contribution to remunerate the insurance fund should be \$549 per employee per month. The recommended resolution is \$540. If accepted by the School Board, at a later School Board Meeting, a payment from the general fund to the insurance fund in the amount of \$9 PEPM will be recommended, in lieu of including it within the contract as a Board Contribution.

At the Impasse Hearing on December 5, 2016, the District's team will explain the rationale for the recommended language.

Sincerely,



Mark Rendell, Ed.D.
Superintendent

c: Graham Picklesimer, FEA Local Service Representative
 Elizabeth Cannon, President, Indian River County Education Association

Appendix G – Contributions to Health Insurance Plans

Blue Options 5772	Total Contribution Per Paycheck
Board Contribution	226.50
Employee Only	18.50
Employee Spouse	178.50
Employee Child(ren)	170.50
Employee Family	225.50
Blue Options 5770	2014 Total Per Pay
Board Contribution	226.50
Employee Only	54.00
Employee Spouse	237.50
Employee Child(ren)	228.00
Employee Family	291.50
Blue Options 5774	2014 Total Per Pay
Board Contribution	226.50
Employee Only	0.00
Employee Spouse	128.00
Employee Child(ren)	121.00
Employee Family	169.50

By way of example only, for an employee who has enrolled their whole family (spouse and children) in the Blue Options 5772, the Board will contribute \$226.50 per pay period from the Board towards health insurance, and the employee will contribute \$225.50 per pay period towards health insurance.

Please note that the amounts in the chart above are per paycheck.

This Page Intentionally Left Blank