

To: WEA Negotiation Team

From: District Negotiation Team

Date: February 9, 2024

RE: Final Offer Presented Outside the Context of Mediation, via email

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Through the course of the negotiations process, the District's negotiations team has worked diligently in an effort to achieve the common goal of a fair and competitive contract, keeping the District's dire financial situation in mind. We have been committed to openness and transparency throughout this process. To that end, the District's team has responded to numerous requests from your team for data, requests for explanations of the data, requests for explanations of costing models, and requests for explanations of the budget. After eight months, twelve meetings, and two full days of mediation, the District has not received one viable counter proposal that signals a compromise from the original proposal presented on October 12, 2023, that included step and lane advancement plus salary increases of 5.5 and 4 percent over two years.

We are compelled to present this as our final offer as we cannot continue to essentially negotiate with ourselves. We have worked diligently to get your team the information it needs so we can collaborate and find a fair contract resolution with unfortunately, no success.

The WEA brought nineteen issues forward. The District has tentatively agreed to six of WEA's proposals and has made counter-proposals in response to several of WEA's other proposals. In contrast, the District brought forward four issues which were all rejected by the WEA.

The attached offer again confirms the District's willingness to enter into two separate two-year contracts. With steps and lanes, the District's proposal for 2023-25 reflects a 6.04% total package increase over two years. In dollars, this reflects a new investment from the District and its taxpayers of \$1,722,821 to the WEA.

With steps and lanes, the District's proposal for 2025-27 reflects a 11.44% total package increase over two years. In dollars, this reflects an investment of \$3,063,753 from the District and its taxpayers to the WEA. The offer for 2025-27 would reflect one of the highest settlements WEA has ever achieved.

The District's proposal for two separate two-year contracts, with a larger increase in the second contract, would recognize and reward employees for longevity. It also confirms the District's commitment to its teachers as the District climbs out of statutory operating debt. The District is making this commitment despite knowing that the 5% increase being offered for the 2026-27 school year may need to be funded by additional budget reductions, if alternative revenue sources are unavailable.

The following is a summary of the District's financial offer:

**2023-2025 CBA**

One-time \$500 payment to all teachers

In addition to normal step and lane advancement, 1% increase to the salary schedule for K-12 and ECFE teachers for 2023-2024

In addition to normal step and lane advancement, 1% increase to the salary schedule for K-12 and ECFE teachers for 2024-2025

8% increase from current wages for Preschool teachers for 2023-2024

1% increase for Preschool teachers for 2024-2025

Updated travel between building reimbursement rate

Personal Leave - Teachers will earn an additional day of personal leave sooner.

Increased lifetime maximum to the teacher's defined contribution matching program

Increased career increment for qualified teachers with a year's credit on the last step of the salary schedule

Continued Flex Learning opportunities

**2025-2027 CBA**

In addition to normal step and lane advancement, 3% increase to the salary schedule for all teachers for 2025-2026

In addition to normal step and lane advancement, 5% increase to the salary schedule for all teachers for 2026-2027

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**DISTRICT'S FINAL PROPOSAL**  
**Electronically Presented to WEA on February 9, 2024**  
**(This final proposal is submitted outside the context of**  
**mediation and elaborates on proposals made during mediation.)**

1. All tentatively agreed upon additions are noted with green underlining, and all tentatively agreed upon deletions are noted with ~~green strikeout~~.
2. The WEA's proposed additions are noted with red underlining, and the WEA's proposed deletions are noted with ~~red strikeout~~.
3. The District's proposed additions are noted with blue underlining, and the District's proposed deletions are noted with ~~blue strikeout~~.
4. Explanatory items are noted in *italics*.

**TENTATIVE AGREEMENTS<sup>1</sup>**

**ISSUE 1 (WEA) – ARTICLE X, SECTION 7, COMPENSATION FOR TRAVEL BETWEEN BUILDINGS.** Article X, Section 7 states: “The school district will pay the established district mileage (established annually by the school board) reimbursement for travel between school buildings if the teacher assignment involves travel between buildings to complete classroom duties in the same day. Payment will be made at the end of each term and shall be requested by the teacher and approved by the building administrator.” Article X, Section 7 also contains a chart listing one-way mileage between buildings. WEA and the District tentatively agree to amend the chart as follows with the express understanding that the following chart will be in effect for only two years and that new mileage calculations will be applied when regular routes are available because current road construction projects are completed.

	Southview	Bayview	Laketown	WMS	WHS	ESC/WEC	WLC	Transitions
Southview		.6 miles	1.7 miles	1.5 miles	2.2 miles	1.0 miles	2.5 miles	.1 miles
Bayview	.6 miles		2.0 miles	1.6 miles	2.3 miles	1.4 miles	3.1 miles	.6 miles
Laketown	1.7 miles	2.0 miles		2.8 miles	3.5 miles	2.1 miles	3.8 miles	1.6 miles
WMS	1.5 miles	1.6 miles	2.8 miles		.8 miles	1.1 miles	1.7 miles	1.7 miles
WHS	2.2 miles	2.3 miles	3.5 miles	.8 miles		1.8 miles	.5 miles	2.4 miles
ESC/WEC	1.0 miles	1.4 miles	2.1 miles	1.1 miles	1.8 miles		2.1 miles	1.0 miles
WLC	2.5 miles	3.1 miles	3.8 miles	1.7 miles	.5 miles	2.1 miles		2.7 miles
Transitions	1 miles	.6 miles	1.6 miles	1.7 miles	2.4 miles	1.0 miles	2.7 miles	

**ISSUE 7 (WEA) – ARTICLE XVII, SECTION 2, DEFINED CONTRIBUTION PROGRAM.** WEA and the District tentatively agree to amend Article XVII, Section 2, subdivision 1, to reads as follows:

<sup>1</sup> The District notes that every tentative agreement is based on a proposal that WEA made. While the District agreed to many proposals that WEA made, WEA has not agreed to a single proposal that the District made. This includes proposals that would help WEA's members, such as the proposal to amend the sick leave bank language so donations would not be taxable and the proposal to continue flex learning days.

Subd. 1. The School District shall contribute, under this subdivision, matching funds according to the following schedule not to exceed the yearly amount as listed below and not to exceed the lifetime maximum allowed by law.

<b>Years of Service in District</b>	<b>District Matching Contribution</b>
Probationary	No District Match.
Continuing contract-4 yrs.	\$525 Match
5-8 yrs.	\$900 Match
9-12 yrs.	\$1,400 Match
13-16 yrs.	\$2,200 Match
17-20 yrs.	\$2,400 Match
21 + yrs.	\$2,825 Match

~~Lifetime Maximum District Contribution \$50,000 (As of September 1, 2021)~~

~~Lifetime Maximum District Contribution \$55,000 (As of September 1, 2022)~~

**ISSUE 9 (WEA) – MASTER CONTRACT ATTACHMENT E.** WEA and the District tentatively agree to amend Attachment E, Section 3, subdivision 4, as follows:

Filing and Postmark: The filing or service of any notice or document herein shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service or an email time stamp within the time period.

**ISSUE 15 - (WEA) - ARTICLE IX, SECTION 2, BASIC COMPENSATION.** WEA and the District tentatively agree to amend Article IX, Section 2, as follows:

**WEA PROPOSAL:** Section 2. Career Increment: Teachers shall qualify for the career increment above the basic salary schedule after a year’s credit on the last step of the BA+60/MA, MA+15, MA+30 or MA+45 lane. Beginning in ~~2022-2023~~ 2023-2024, the annual salary including the career increment equates to a ~~4.25%~~ 4.5% increase over the last step of the BA+60/MA, MA+15, MA+30 or MA+45

**ISSUE 19 (WEA) - SALARY SCHEDULES - LANE ADVANCEMENT.** WEA and the District tentatively agree that teachers who qualify for a lane advancement under the contract in 2023-2024 or in 2024-2025 will receive the lane advancement specified in the contract. (WEA states that the average cost of lanes over the past three years was \$76,820.)

**ISSUE 20 (WEA) - SALARY SCHEDULES A & B - STEP ADVANCEMENT.** WEA and the District tentatively agree that teachers who qualify for step advancement under the contract in 2023-2024 and in 2024-2025 will receive the step advancement specified in the contract.

## RESPONSE TO WEA LANGUAGE PROPOSALS

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### ISSUE 1 (WEA) – *TENTATIVE AGREEMENT*

### ISSUE 2 (WEA) – ARTICLE XI, SECTION 8, INSURANCE COMMITTEE

**WEA PROPOSAL:** WEA maintained its previous proposal to add language to the Master Agreement that would establish an insurance committee and would identify the members of the committee, including an established number of members from other bargaining units in the District.

**DISTRICT RESPONSE:** The District maintains its previous response and respectfully declines WEA’s proposal for the same basic reasons it has provided in the past:

1. The establishment of an insurance committee is not a term or condition of employment; it is an inherent managerial right. The District will not negotiate over inherent managerial rights.
2. The District’s current practice allows WEA representatives to participate on the insurance on equal terms with other bargaining units. The District cannot agree to give WEA a greater say than other bargaining units. Additionally, the District cannot negotiate with WEA over the rights of employees in other bargaining units, or to diminish the rights of employees in other bargaining units.
3. The District wants an inclusive committee process that values all employees. The varied perspective of employees from all groups is critical. The District did not have any concerns this year with the involvement and engagement of the committee members.
4. In addition to the current practice, which allows WEA representatives to participate in the same manner as other bargaining units, the Master Agreement gives WEA an additional avenue to communicate its concerns. Article XI, Section 1 of the Agreement states: “The selection of the insurance carrier and policy shall be made by the School District subject to the right of the Association to meet and confer on such matter.” The District welcomes discussion from WEA representative about insurance issues during meet and confer.
5. The Master Agreement is not the appropriate place to include guidelines.
6. WEA’s proposal states that it is based on guidelines that were agreed upon with previous administrators many years ago, but not with the school board, the current administration, or even the administration that immediately preceded the current administration.

### ISSUE 3 (WEA) – ARTICLE XII, SECTION 2, LEAVES OF ABSENCE

**WEA PROPOSAL:** WEA modified its previous proposal and proposed to include language providing an annual “Wellness Bonus” by inserting language in the contract stating: “Teachers who use 4 or less sick days each year will receive a wellness bonus of \$750.” WEA’s rationale for this proposal is that it will encourage WEA member attendance.

**DISTRICT RESPONSE:** The District respectfully declines WEA’s proposal for the following reasons:

1. WEA’s proposal would have significant financial implications for the District. There are 267.46 FTE positions in the WEA bargaining unit. If half the WEA members received the “wellness bonus,” the District would incur a cost of \$100,297.50.
2. WEA’s proposal would encourage employees to go to work when they are sick.
3. The rationale that WEA provided for its proposal (i.e. the bonus would encourage WEA member attendance) indicates that WEA believes its members could choose to use it less often. Employees should use sick leave when they are unable to perform their job duties because of an illness, injury, or other qualifying reason. The District believes that most employees use sick leave appropriately and do not choose to use sick leave when they are not sick.
4. WEA’s proposal would arguably violate the Family Medical Leave Act, the Earned Safe and Sick Time law, Minnesota’s Parental and Pregnancy Leave Act, and the Americans with Disabilities Act. Employees could assert that the denial of a “wellness bonus” to employees who have taken statutorily protected leave adversely impacts and discriminates against individuals who have taken leave because of a disability.

**ISSUE 4 (WEA) – ARTICLE XII, SECTION 3, LEAVES OF ABSENCE**

**WEA PROPOSAL:** WEA maintained its proposal to amend the first paragraph of Article XII, Section 2, subdivision 3. The proposed amendment, which is shown below, would allow WEA members to earn an additional day of personal leave sooner.

**Section 3. Personal Leave:**

**Subd. 1.** Each teacher will be granted personal leave days based on their completed years of experience in the school district according to the following schedule:

<del>0-7</del> 10 years	2 days
<del>8-15</del> 11-20 years	3 days
<del>15+</del> 21+ years	4 days

**DISTRICT RESPONSE:** The District respectfully declines WEA’s proposal. The District notes that WEA has not presented any information showing that the number of days of personal leave the District offers is out of line with what other school districts offer. Nonetheless, in an effort to collaborate and find middle ground, the District makes the following counter proposal, which is subject to agreement on the District’s other financial proposals:

<del>0-8</del> 10 years	2 days
<del>9-16</del> 11-20 years	3 days
<del>17+</del> 21+ years	4 days

**ISSUE 5 (WEA) – ARTICLE XII, SECTION 3, LEAVES OF ABSENCE**

**WEA PROPOSAL:** WEA maintained its proposal to change the last sentence of Article XII, Section 3, subdivision 1, as indicated below, to increase the number of personal days that may be carried over from one year to the next. WEA stated that it is unwilling to consider a trade-off for black out days.

A maximum of ~~3~~ 4 days of personal leave may be carried over to the next school year.

**DISTRICT RESPONSE:** The District maintains its response and respectfully declines WEA’s proposal for the same reasons it has provided in the past. Those reasons are stated below.

1. As previously stated, the District has difficulty finding substitutes and cannot increase the number of days that a teacher may be absent on personal leave during a given school year.
2. Having the licensed teacher of record available to teach as much as possible is imperative to ensuring a consistent educational experience for students.
3. The District understands this is an important issue to WEA. Accordingly, during the last round of negotiations, the District agreed to increase the maximum number of days of personal leave that could be carried over from 2 to 3. The District also agreed to increase the number of teachers who could take personal leave in a building with 71-80 teachers.

**ISSUE 6 (WEA) – WITHDRAWN BY WEA**

**ISSUE 7 (WEA) – TENTATIVE AGREEMENT**

**ISSUE 8 (WEA) – TENTATIVE AGREEMENT**

**ISSUE 9 (WEA) – PRESCHOOL AND TIER 1 TEACHERS**

**WEA PROPOSAL:** WEA last proposed that preschool instructors enter Article XVIII, which addresses early childhood family education. WEA also proposes to insert language “such that all hours worked July 1 to June 30 be applied to full-time status.” Although the status of this proposal is unclear, WEA also proposed that preschool instructors be placed on the ECFE salary schedule.

**DISTRICT RESPONSE:** The District agrees that preschool instructors should be governed by Article XVII. However, placing preschool instructors on the existing ECFE wage scale would result in dramatic wage increases for most of the preschool instructors. Please see the chart below. These increases would need to be costed against the total package settlement and would result in less money being available to provide increases for K-12 teachers in the bargaining unit. Therefore, as stated under Issue 17, the District again proposes that school readiness instructors receive an 8% increase to their current wages for 2023-2024 and a 1% increase to their wages for 2024-2025.

Preschool Instructors	Current	Step	No Master's	Master's	Hours 23-24	Increase without Master's	Increase with Master's	ECFE w/o M.A.	ECFE w/ M.A.
1	26.21	7	8.91	11.76	1,252	\$11,155.32	\$14,723.52	35.12	37.97

2	22.26	2	8.71	11.06	1,383	\$12,045.93	\$15,295.98	30.97	33.32
3	25.43	6	9.69	12.54	1,263	\$12,238.47	\$15,838.02	35.12	37.97
4	24.63	5	9.4	12.11	1,146	\$10,772.40	\$13,878.06	34.03	36.74
5	21.44	1	8.58	10.8	276	\$2,368.08	\$2,980.80	30.02	32.24
6	29.69	11	5.43	8.28	1,232	\$6,689.76	\$10,200.96	35.12	37.97
				<b>Total Increase in 23-24</b>		<b>\$55,269.96</b>	<b>\$72,917.34</b>		

The District respectfully declines WEA’s proposal to add language to Article XVII stating that “all hours worked July 1 to June 30 be applied to full-time status.” Full-time or part-time status is not determined by the number of days an employee works in a school year; it is determined by the number of hours an employee works per week.

The District again proposes that Tier 1 teachers be governed by Article XVII, but that language be included stating: “Tier 1 teachers are in a probationary period of employment so long as they are working under a Tier 1 license.” Consistent with past practice, Tier 1 teachers would continue to be paid at Step B under the BA lane of the contract and, thus, would receive the same percentage increase that K-12 teachers receive.

**ISSUE 10 (WEA) – SPECIALIST COMPACTING – WITHDRAWN BY WEA**

**ISSUE 14 (WEA) – MOA SCHOOL LIBRARY AID – WITHDRAWN BY WEA**

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**DISTRICT’S LANGUAGE PROPOSALS**

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**ISSUE 11 (DISTRICT) – ARTICLE XI, SECTION 6 GROUP INSURANCE**

**DISTRICT PROPOSAL:** The District proposes to add Article XII, Section 8, which would read as follows:

[Section 8. High Deductible Health Plan Option: Beginning with the 2024-2025 insurance plan year, the School District will make available a high deductible health plan \(HDHP\) for single, single plus one, and family insurance plans. The School District will make a contribution to an HRA/VEBA account for any teacher that selects this option. The School District’s contribution towards a teacher’s health insurance premium and HRA/VEBA combined will not exceed the contribution amounts provided in Article XI, Section 2, subdivision 1.](#)

**DISTRICT RATIONALE:** With the exception of teachers, the District’s HDHP has been available to ISD 110 employees for approximately eighteen years. Employees who select this plan receive an annual contribution of \$1,000 (deposited monthly in the amount of \$83.33) to an HRA/VEBA account on their behalf. Money deposited in an HRA/VEBA can be used to pay for qualified health-related expenses and any balance remaining at the end of the plan year rolls forward to the next plan year. The HDHP is popular among employees who are conscientious consumers of their medical care, because it allows them the opportunity to build up a balance in

their HRA/VEBA account to be used at a later date. The plan is also popular with employees seeking single plus one and family plans as the monthly premium is lower than the other available health insurance plans. At a time when health insurance premiums are very high, it seems reasonable to provide this option to our teachers. While a high deductible plan is not the right plan for everyone, many employees would benefit from such a plan. High deductible plans are now the industry standard in the private sector.

**ISSUE 12 (DISTRICT) – *WITHDRAWN BY DISTRICT***

**ISSUE 13 (DISTRICT) – MEMORANDUM OF AGREEMENT: FLEX LEARNING DAYS**

**DISTRICT PROPOSAL:** The District has presented an MOA reflecting current practices.

**WEA RESPONSE:** The status of WEA’s response is unclear. WEA originally sought to tie the acceptance of the MOA on flex learning days to another issue. The District will not tie the MOA to another issue because the MOA on flex learning days is for the benefit of WEA’s members.

**ISSUE 13.1 (DISTRICT) – *WITHDRAWN***

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**DISTRICT RESPONSE TO WEA FINANCIAL PROPOSALS**

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**ISSUE 15 - (WEA) – *TENTATIVE AGREEMENT***

**ISSUE 16 - (WEA) - ARTICLE XI, SECTION 2 SUBD. 1, GROUP INSURANCE**

**WEA PROPOSAL:** WEA proposes that the District cover 100% of the premium cost for health and dental insurance for singles, 72% of the premium cost for health and dental insurance for singles +1, and 72% of the premium cost for health and dental insurance for families. WEA’s rationale for this proposal is that health insurance premiums have increased 13% in year-1, and any increase will be capped at 9% in year-2.

**DISTRICT RESPONSE:** The District must respectfully decline WEA’s proposal for financial reasons. The District cannot absorb the cost of premium increases going forward and will not agree to change from a defined contribution expressed in a dollar amount to a contribution expressed in a percentage. Additionally, a review of contracts from comparable districts shows that the District’s current contributions are among the highest. The District prefers to place the funds it has on the salary schedule so employees benefit equally and can choose where to spend their own money.

**ISSUE 17 (WEA) - ARTICLE XVIII, EARLY CHILDHOOD FAMILY EDUCATION, STEP AND LANE ADVANCEMENT**

**WEA PROPOSAL:** WEA proposes to increase the salary schedule by 8% in Year-1 and by 8% in Year-2. WEA’s rationale is that these groups operate under the Community Education budgets with a healthy fund balance.

**DISTRICT RESPONSE:** The District must respectfully decline WEA’s proposal. However, the District makes the counter-proposal stated under Issue 21.

**ISSUE 18 (WEA) - ARTICLE XVIII, EARLY CHILDHOOD FAMILY EDUCATION, STEP AND LANE ADVANCEMENT**

**WEA PROPOSAL:** WEA proposes to add language to the contract providing the following “longevity stipend” to ECFE, school readiness, and Tier 1 teachers. WEA’s rationale is that these groups operate under the Community Education budgets with a healthy fund balance.

Section 10 - Longevity Stipend  
7-9 years of service = \$1,000 stipend per year  
10-12 years of service = \$2,000 stipend per year  
13+ years of service = \$3,000 stipend per year

**DISTRICT RESPONSE:** The District must respectfully decline WEA’s proposal for financial reasons. The District notes that the community education budget has been supplemented from the general fund. Additionally, community education is much broader than just ECFE. The District prefers to place the limited funds it has on the salary schedules for members of the WEA bargaining unit.

**ISSUE 19 (WEA) – *TENTATIVE AGREEMENT***

**ISSUE 20 (WEA) – *TENTATIVE AGREEMENT***

**ISSUE 21 (WEA) - SALARY SCHEDULES A & B - SCHEDULE**

**WEA PROPOSAL:** Outside of mediation, WEA proposed to increase the salary schedule by 5.5% in Year-1 and 4% in Year-2. WEA did not make a financial proposal in mediation until 6:00 p.m. on second day of mediation. That proposal was also financially unrealistic.

**DISTRICT RESPONSE:** The District must respectfully decline WEA’s proposal. The District makes the following counter-proposal, which would reflect agreement on two consecutive two-year contracts:

**2023-2024 (1<sup>st</sup> year of 2023-2025 contract)**

- In addition to step and lane advancement, 1% increase to salary schedule for K-12 and ECFE teachers for 2023-2024, retroactive to July 1, 2023
- 8% increase from current wages for preschool teachers for 2023-2024, retroactive to July 1, 2023
- One-time \$500 payment to all full-time teachers; prorated payment to part-time teachers

**2024-2025 (2<sup>nd</sup> year of 2023-2025 contract)**

- In addition to normal step and lane advancement, 1% increase to salary schedule for K-12 and ECFE teachers for 2024-2025
- 1% increase to wages for preschool teachers for 2024-2025

**2025-2026 (1<sup>st</sup> year of 2025-2027 contract)**

- 3% increase to salary schedule for all teachers for 2025-2026

**2026-2027 (2<sup>nd</sup> year of 2025-2027 contract)**

- 5% increase to salary schedule for all teachers for 2026-2027  
\*The parties understand that the 2025-2026 increase may be funded by staff reductions, if alternative revenue sources are unavailable.

**DISTRICT RATIONALE:** The District is in Statutory Operating Debt (SOD) and does not have the funds to pay for significant increases during 2023-2025. Additionally, contrary to statements made by WEA, the District has provided wage increases that have been highly competitive, including a 9.35% total package improvement in 2018-2019, a 2.95% total package improvement in 2020-2021, and an 8.24% total package improvement in 2022-2023. This was more than the District could afford.

**With steps and lanes, the District's proposal for 2023-2025 reflects a 6.04% total package increase over two years. In dollars, this reflects cost of \$1,722,821 to the District and its taxpayers.**

**With steps and lanes, the District's proposal for 2025-2027 reflects a 11.44% total package increase over two years. In dollars, this reflects a cost of \$3,063,753 to the District and its taxpayers.**

The School Board believes that the history of settlements and the proposals for the next two contracts show that they value teachers. Even in times of direct economic strain, the School Board continues to support increases to teacher salaries.