

**DISTRICT’S RESPONSE TO WEA’S PROPOSAL**  
**Presented on September 5, 2023 at 4:00 p.m.**

---

1. All tentatively agreed upon additions are noted with green underlining, and all tentative 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*.
- 

**DISTRICT’S RESPONSE TO WEA’S FIRST PROPOSAL DATED AUGUST 17, 2023**

---

**ISSUE 1 (WEA) – ARTICLE X, SECTION 7, COMPENSATION FOR TRAVEL BETWEEN BUILDINGS**

**WEA PROPOSAL:** 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 has proposed to modify the one-way mileage listed in the chart.

**DISTRICT RESPONSE:** The District agrees to separate Waconia High School and Waconia Learning Center. As reflect on the attached chart, the District also agrees to update the mileage charge based on routes that are currently available, but with the express understanding that the updated 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.

**ISSUE 2 (WEA) – ARTICLE XI, SECTION 8, GROUP INSURANCE**

**WEA PROPOSAL:** WEA proposed 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 respectfully declines WEA’s proposal for the following reasons.

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 appropriate venue for discussion of the establishment and function of an insurance committee is meet and confer. The District will openly accept input and feedback from teachers' representative at meet and confer.
3. The District cannot negotiate with WEA over the rights of employees in other bargaining units.
4. 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.
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 the administration that immediately preceded the current administration.

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

**WEA PROPOSAL:** WEA proposed to renumber Article XII, Section 2, subdivision 3 to subdivision 4. Additionally, WEA proposed create a new Article XII, Section 2, subdivision 3, which would state:

Teachers are eligible to elect reimbursement for unused sick leave as a cash payment in accordance with the following schedule prior to their 15<sup>th</sup> year. No later than seven (7) calendar days before the last teacher work day, the School District shall provide each teacher with notice of their total amount of unused sick leave days accrued that year in accordance with subdivision 1 above and carried forward from prior years. Upon notice to the district's Human Resources Department on or before the last teacher workday, teachers will be eligible to elect reimbursement for unused sick leave days a cash payment in accordance with the following schedule:

<u>Total Number of Unused Sick Leave Days at the End of the School Year</u>	<u>Number of Unused Sick Leave Days for which a Teacher May Elect Reimbursement</u>	<u>Reimbursement Rate Per Unused Sick Leave Day</u>
<u>Less than 45</u>	<u>0</u>	<u>Not eligible for reimbursement. All unused sick leave days accrued</u>

		<u>during the school year will be added to the teacher's total sick leave and carried forward to the next school year.</u>
<u>45-59</u>	<u>Up to 4</u>	<u>\$75.00</u>
<u>60-89</u>	<u>Up to 6</u>	<u>\$75.00</u>
<u>90-119</u>	<u>Up to 8</u>	<u>\$75.00</u>
<u>120+</u>	<u>Up to 10</u>	<u>\$75.00</u>

If a teacher elects reimbursement for unused sick leave days as a cash payment under this subdivision then his/her total unused sick leave will be reduced in accordance with such election.

Subd. ~~3~~ 4. Full-time teachers who have completed at least fifteen (15) years of continuous service with the School District, are at least fifty-five (55) years of age, and provide a written notice of retirement to the School District no later than March 1 that is effective at the conclusion of the school year, will automatically receive a deposit equal to 100% of the balance of the teacher's accrued and unused sick leave into a Minnesota State Retirement System (MSRS) Health Care Saving Plan (HCSP) at the rate of eighty dollars (\$80.00) per day up to a maximum of one-hundred and thirty-five (135) days. A part-time teacher will be eligible for a deposit in accordance with this subdivision in a prorated amount proportional to their employment. The deposit will be made within sixty (60) days following the teacher's last date of employment. The School District's only obligation is to make the contribution to the MSRS HCSP as agreed to in this subdivision and no claim shall be made against the School District as a result of the MSRS HCSP. Upon the teacher's death, any contribution owed but not yet paid to the HCSP will be paid in cash to the teacher's designated beneficiary.

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

1. During the last round of negotiations (2021-2023), the parties mutually agreed to eliminate the language that WEA is seeking to add to this contract. This was one of the few benefits that the District obtained during the last round of negotiations.
2. WEA's proposal does not encourage longevity.
3. WEA's proposal could result in situations in which employees do not have sick leave available when they need it.
4. WEA's proposal would also have cost implications for the District.

5. WEA’s proposal would create constructive receipt issues, which would result in adverse tax consequences for teachers and for the District.
6. The District does not believe that it can legally allow an employee to choose the amount contributed to a Health Care Savings Plan. WEA’s proposal would allow an employee to decide whether to seek reimbursement for unused sick leave days as well as the number of days.
7. Finally, the District does not believe that it can legally allow an employee to choose between a HCSP contribution or lump sum payment.

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

**WEA PROPOSAL:** WEA proposed to modify the first paragraph of Article XII, Section 2, subdivision 3, as follows:

**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:

0-10 years	<del>2</del> 3 days
11-20 years	<del>3</del> 4 days
21+ years	<del>4</del> 5 days

**DISTRICT RESPONSE:** The District respectfully declines WEA’s proposal. In a time in which the District has difficulty finding substitutes, the District cannot increase the number of days of personal leave that teachers receive. Additionally, the District is in statutory operating debt. Any increase in the number of personal leave days available would result in less new money being put on the salary schedule. The District understood WEA to state that additional money on the salary schedule is its priority. Finally, the District believes that the number of days of personal leave it offers is comparable to other school districts. WEA has not presented any contrary information.

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

**WEA PROPOSAL:** WEA proposed to change the last sentence of Article XII, Section 3, subdivision 1 to state:

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

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

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. These increases did not appear to make a significant difference to WEA members who initially voted down the tentative agreement.
4. The District disagrees with WEA’s statement that its proposal would result in a cost savings to the District because it would save on the cost of substitute teachers. At most, WEA’s proposal would delay the cost to the District. With each year, a teachers’ wages rise, meaning that personal leave taken the future has the effect of costing the District more than personal leave taken now.
5. Despite the concerns with WEA’s proposal, the District would be willing to agree to it if WEA would agree to blackout dates for the use of personal leave during the first and last week of school and on Fridays and Mondays around holidays and breaks.

## ISSUE 6 (WEA) – ARTICLE XVI, SECTION 3, ULA AND SENIORITY

**WEA PROPOSAL:** WEA proposed to modify Article XVI, Section 3, subdivision 3, to state:

~~**Subd. 3.** Teachers placed on unrequested leave shall be done in inverse order of seniority in the subject matter categories covered by this Agreement. No teacher shall be placed on unrequested leave if there is any other qualified teacher with less seniority in the same subject matter category, except under provisions of Article XVI, Section 2, Subd. 3 and 5.~~

The policies governing unrequested leave of absence and the seniority agreement shall be in accord with Minnesota Statutes 122A.40, Subd. 11, as enacted prior to July 1, 2019 and as spelled out in Appendix.

A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence (ULA) while Tier 1-licensed, Tier 2-licensed, or probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed. Tier 3 and 4 continuing contract teachers shall be placed on unrequested leave of absence in inverse order of seniority, as calculated by initial date of hire as a licensed teacher.

**DISTRICT RESPONSE:** The District generally agrees with the concept that continuing contract teachers should not be placed on ULA while probationary, Tier 1, or Tier 2 teachers are retained. The District is open to further discussion on this topic. However, WEA’s proposed language does not make sense for several reasons.

1. There is no appendix addressing section 122A.40, subdivision 11, as it existed before July 1, 2019.
2. Tier 1 teachers do not have a license.
3. Tier 1 teachers should not have any contractual protections.
4. All Tier 2 teachers are probationary teachers.
5. All Tier 2 teachers in the District have been formally trained, but have come to Minnesota from other states and are working on Minnesota’s licensure requirements to obtain Tier 3 licenses. The District does not want to create additional barriers to recruiting qualified teachers at a time when finding teachers in certain subject matters is extremely challenging.
6. The ULA provision should address preschool and school readiness instructors.

**ISSUE 7 (WEA) – ARTICLE XVII, SECTION 2, DEFINED CONTRIBUTION PROGRAM**

**WEA PROPOSAL:** WEA proposes to strike the lifetime maximum to the District contribution (matching benefit) that appears in Article XVII, Section 2, subdivision 1, so it reads as follows:

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.

<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)~~

**DISTRICT RESPONSE:** The District would be willing to agree to WEA’s proposal if WEA would agree to blackout dates for the use of personal leave during the first and last week of school and on Fridays and Mondays around holidays and breaks. The District’s matching contribution would still be subject to any limits established by law.

**ISSUE 8 (WEA) – MASTER CONTRACT ATTACHMENT E**

**WEA PROPOSAL:** WEA proposes to modify 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.

**DISTRICT RESPONSE:** The District agrees to WEA’s proposal.

**ISSUE 9 (WEA), ECFE PRESCHOOL**

**WEA PROPOSAL:** WEA will make a proposal in the future.

**DISTRICT RESPONSE:** The District will respond after WEA makes its proposal.

**ISSUE 10 (WEA), MEMORANDUM OF AGREEMENT, ELEMENTARY SPECIALIST COMPACTING**

**WEA PROPOSAL:** WEA proposes to enter into an MOA that states: Due to the reduction of specialists at the elementary schools, which led to compacting of class sections, Elementary Specialists will be paid \$1,300 per section compacted for the school year.

**DISTRICT RESPONSE:** The District respectfully declines WEA’s proposal, which, in effect, is a proposal to pay teachers more based on the number of students they teach. The District has courses and class sizes that vary from year-to-year based on enrollment. The District does not pay less when a teacher has fewer students in a class. Additionally, the District worked through a comprehensive budgeting process to determine the best way to

manage staffing during SOD. Also, the current class sizes are comparable to class sizes in other school districts.

---

## DISTRICT'S PROPOSALS

---

### 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.

### ISSUE 12 (DISTRICT), ARTICLE XII, LEAVES OF ABSENCE

**DISTRICT PROPOSAL:** The District proposes to amend Article XII, Section 2, subdivision 12 as follows:

Subd. 12. Sick Leave Bank: A sick leave bank is established under the guidelines printed below:

(a) Participation Requirements:



~~1. Teachers must be full time to participate in sick bank.~~

~~2. Qualified teachers must contribute to sick bank to participate in the WEA Sick Leave Bank.~~

~~3. Qualified teachers must contribute by September 30 if the contract is within 30 days of contract ratification of a negotiation year. Qualified teachers must contribute by Sept. 30 of a non-negotiation year. Newly hired qualified teachers must contribute by September 30 if hired prior to the start of the school year within 30 days of hiring during the school year.~~

~~4. Qualified teachers may not participate in the sick bank leave unless they have met the requirements identified above.~~

~~5. Teachers who have become part-time during the membership period due to staff reductions are still eligible to withdraw from the Sick Leave Bank for the same number of membership periods they contributed to the bank.~~

~~(b) Administration of Bank:~~

~~1. WEA will administrate the bank with two representatives from each building and one nonvoting administrator (hereinafter referred to as the "Committee").~~

~~2. WEA is responsible for notifying qualified teachers of the participation eligibility.~~

~~(c) Contribution to Bank:~~

~~1. Teachers can contribute only one day per voluntary membership period to the sick bank.~~

~~2. The WEA is responsible for receiving the membership in the sick bank.~~

~~(d) Committee identifies and receives voluntary membership into WEA Sick Leave Bank~~

~~1. Contributed days will not impact the wellness bonus.~~

~~2. ——— Contributed days not refundable.~~

~~3. ——— Complete individual sick bank form and submit to the District Office.~~

~~(e) Teachers who contribute to sick bank may participate in the WEA Sick Bank Leave.~~

~~(f) Committee forwards new members to Business Office by October 5<sup>th</sup> of each year.~~

~~(g) Business Office and Committee verify WEA Sick Leave Bank Database.~~

~~(h) Maximum number of available sick bank days is 140 days per year for each member of the association.~~

~~(i) Business office removes donated sick leave day from individual teachers upon receiving database.~~

~~(j) Written application for a teacher to use the sick bank is made to Committee. Personal appearance by teacher and another spokesperson may be necessary.~~

~~(k) The Committee will decide on the application and number of days allocated from the WEA Sick Bank Days.~~

~~—1. ——— The Committee's decision is non-grievable.~~

~~—2. ——— Complete request donation form and submit to the District Office.~~

~~—3. ——— Proper use of sick leave is required as documented in Article XII.~~

~~(l) When the sick bank reduces to 20 days in the membership period, the Committee will return to the WEA for new voluntary membership.~~

Subd 12. Emergency Sick Leave Bank (ESLB)

A. The District and Association have developed an emergency sick leave bank (ESLB) for qualifying teachers who have exhausted their leave options. Teachers may apply for days from the ESLB when they are experiencing or will experience a medical emergency. A “medical emergency” is defined as a medical condition of the employee that will require the prolonged absence of the employee

from duty (more than five consecutive days) and will result in a substantial loss of income to the employee because the employee has or will have exhausted all forms of paid leave. The medical condition must be recognized by the mainstream medical community. By way of example, but without limitation, conditions such as multiple chemical sensitivity and idiopathic environmental illness are not recognized as valid diagnosis by the mainstream medical community. The ESLB will be filled by donations made by members of the teachers' unit to support colleagues experiencing such circumstances.

- B. Teachers will be notified of the open enrollment for participation in the ESLB at the beginning of each school year. Teachers may donate up to two (2) sick leave days per school year. All donations are confidential and nonrefundable. Once a day is donated, the teacher cannot retract or reclaim the donated sick leave for any reason. If at any point the ESLB is not self-sustaining, the District and Association may request additional optional donations.
- C. Recipient Eligibility. Membership will be open to all regularly contracted members of the teachers' bargaining unit. A teacher who has exhausted all forms of paid leave may apply for leave from the ESLB for a medical emergency, as defined above, by submitting a written application and a medical certification from the teacher's treating physician. Teachers may not begin to use sick leave from the ESLB until the District has approved the written application. No application will be approved if the ESLB does not contain donated days of leave.
- D. No teacher may withdraw more than thirty (30) days from the ESLB during his or her career with the District unless the District and the Association agree to a greater number of days for a life-threatening medical emergency.
- E. Teachers will immediately become ineligible for the ESLB if they become eligible to receive long term disability benefits, workers' compensation, or other pay or other benefits in place of any part of their salary.
- F. The ESLB is intended to be cost-neutral to the District. Nothing in Subdivision 12 may be interpreted in a manner that would increase the District's financial obligations.

**DISTRICT RATIONALE:** The current contract language providing a sick leave bank does not comply with IRS regulations. As a result, the donation of sick leave is taxable to both the donor (i.e., the person donating the leave to the bank) and the donee (i.e., the

person receiving the leave from the bank). The proposed language is intended to minimize the likelihood of tax liability for the donor.

**Tax Consequences.** Under the “assignment of income doctrine,” an employee who donates sick leave to a general sick leave bank must pay taxes on the value of the sick leave that has been donated. The employer is required to report the donated sick leave as compensation for the employee who donated the leave and for the employee who withdrew the leave from the bank. The employer is also required to withhold the appropriate income and FICA tax for both employees.

**Exception.** In [Revenue Ruling 90-29](#), the IRS looked at a program under which employees who were undergoing a “medical emergency” could qualify as recipients of leave time surrendered to the employer by other employees or leave time deposited by employees in an employer-sponsored leave bank. The IRS ruled that the income would be taxed to the recipient of the leave, but not the donor. In issuing this ruling, the IRS created an exception to the assignment of income doctrine. *See also* Private Letter Ruling 2007200017 (2007). Under this exception, an employee who donates sick leave to a medical emergency leave-sharing plan is not required to recognize compensation income for the value of donated sick leave. As a result, the employer is not required to report the value of the donated sick leave on the donor’s W-2 or withhold income tax or FICA tax from the donor’s compensation. The donor may not take a charitable contribution deduction. An employee who uses sick leave from a medical emergency sick leave bank must report the value of the donated sick leave as income. Accordingly, the employer must report the payments on the recipient employee’s Form W-2 and withhold income tax and FICA tax from the payments.

To avoid adverse tax consequences to the donee, an emergency sick leave bank should:

1. Define a “medical emergency” as a medical condition of the employee or a family member of the employee that will require the prolonged absence of the employee from duty and will result in a substantial loss of income to the employee because the employee will have exhausted all paid leave apart from the leave-sharing plan.
2. Require that the recipient employee submit to the employer a written application describing the medical emergency;
3. State that additional paid leave may be granted from the medical emergency leave bank only after the employer has approved the written application and the employee has exhausted all of his or her accrued sick leave;
4. Cap the amount of sick leave that may be donated by an employee;
5. Establish how donated sick leave will be granted to eligible recipients.

**ISSUE 13 (DISTRICT), MEMORANDUM OF AGREEMENT ON FLEX LEARNING DAYS**

**DISTRICT PROPOSAL:** The District will present an MOA at the next meeting. The MOA will reflect current practices.