

WEA RESPONSE TO DISTRICT'S RESPONSE / PROPOSAL

Presented on October 2nd, 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*.

10/2/23 WEA RESPONSE TO DISTRICT'S WRITTEN RESPONSE RECEIVED ON 9/28/23

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.

WEA RESPONSE: The WEA agrees to the District's response to their proposal.

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.

WEA RESPONSE: The WEA proposal remains the same to add the insurance committee guidelines into the master agreement.

1. We have a proportionate amount of representatives for each group to provide input and come to a group decision.
2. Placing new guidelines into the master agreement allows the school board, administration, and union to all have the same understanding for current and future stakeholders.

3. WEA feels that the master agreement is the perfect spot for the guidelines to be agreed upon. Again, this additional language would ensure that proportionate representation is afforded to each group when changes occur.

9/28/23 DISTRICT RESPONSE: The District maintains its previous response and 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. As noted in the current contract, 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.

10/2/23 WEA RESPONSE: The WEA's position remains the same as the district's rationale did not change.

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 15th 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 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.

WEA RESPONSE: The WEA proposal remains the same to add the sick leave buy back table back into the contract.

1. WEA's proposal does not provide employees an option to put the money into a HCSP in the first 15 years of their career. The proposal is a buyback of unused sick leave based on the criteria established in the table. It is not a retirement benefit.
2. After agreeing to the language changes during the last round, this remains one of the most popular requests by WEA members.
3. WEA's proposal promotes longevity as we are looking out for our newer members, who tend to have a lesser salary. This keeps our newer members around longer, members who eventually reach 55 years or older AND have 15+ years of Waconia experience will then follow the current language.
4. WEA's proposal encourages all WEA members to manage this benefit more efficiently to benefit the district, as the buy back is significantly less expensive than paying a sub.
5. Last round it was established by both parties that it is legal to offer a reimbursement of unused sick time and a retirement for unused sick days without giving the choice to the employee. Our proposal does not give the employee a choice. The Districts response last round to this was turned down due to the fact that it would be an "accounting nightmare"

9/28/23 DISTRICT RESPONSE: The District maintains its previous response and 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. The District will not negotiate away this benefit.
2. WEA's proposal does not encourage longevity. It encourages teachers to cash in sick leave in the first 15 years of their career with the District rather than rewarding them for continuing in the District in the form of a tax-advantaged benefit toward the end of their career.
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 have cost implications for the District, including additional payroll taxes.
5. WEA's proposal would create constructive receipt issues, which would result in adverse tax consequences for teachers and for the District. *See* Revenue Ruling 2005-24.
6. WEA's proposal would allow an employee with less than 15 years of service

to elect reimbursement for unused sick leave as a cash payment. This component of WEA's proposal would jeopardize the tax advantaged status of the Health Care Saving Plan (HCSP) contributions in Article XII, Section 2, subdivision 4. A HCSP does not qualify for tax advantaged status "if any person has the right to receive case or any other taxable or non-taxable benefit under the arrangement other than the reimbursement of medical expenses [from the MSRS HCSP]. See Revenue Ruling 2005-24.

10/2/23 WEA RESPONSE: Sent to EdMN, waiting for a response.

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	2 3 days
11-20 years	3 4 days
21+ years	4 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.

WEA RESPONSE: WEA proposes 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 0-7 years	2 days
11-20 8 - 15 years	3 days
21+ 15+ years	4 days

1. This is a highly requested issue from WEA members. If the amount of personal days will not be increased, this would allow members to earn an additional day sooner.

9/28/23 DISTRICT RESPONSE: The District respectfully declines WEA's modified proposal.

1. 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.
2. Any increase in the number of personal leave days available has financial implications and 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.
3. For unknown reasons, WEA has not yet presented a financial proposal. The District cannot fairly evaluate proposals that have cost implications until it sees WEA's financial proposal. The District encourages WEA to submit a financial proposal, which would help move the process forward. The District wants to move the process forward and get a new contract in place for WEA members.
4. 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.
5. Despite the District's concerns with WEA's proposal, after evaluating it in the context of a complete financial proposal, the District may be willing to agree to WEA's proposal in exchange for WEA agreeing 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 wants to focus on what is best for students and, to that end, wants to ensure teachers are present during key times of the year for students and at times when the District has significant difficulty finding substitutes.
6. The District is seeking to find middle ground and hopes WEA will do the same.

10/2/23 WEA RESPONSE: The WEA will pause this issue until financial numbers are discussed more.

1. The WEA had previously agreed with the district that financial proposals would be created after official student numbers were reported to the state by statute. The WEA believed they were clear as to why a financial proposal has not been made.
2. The WEA feels the current restrictions on personal days, according to the amount of people per building, already limits members ability to take a personal day. This model is sufficient and ensures teachers are present.
3. The WEA disagrees with the district statements about avoiding cost implications by the added personal day. The WEA questions why the cost is not a concern to the district when blackout dates are applied? It appears to the WEA that the district is more concerned with controlling when days are taken versus the cost.

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.

WEA RESPONSE: The WEA proposal remains the same to change the amount of days that are able to be carried over. The WEA respectfully declines blackout dates.

9/28/23 DISTRICT RESPONSE: The District maintains its response and 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.

10/2/23 WEA RESPONSE: The WEA's position remains the same, to change language so WEA members can carry over earned personal time to the following year.

1. The ability to carry over personal leave does not increase the amount of sub time needed district wide. This defers an absence so that teachers can be in the classroom in which cost will not change unless the district agrees to higher sub pay.
2. The new 71-80 category was to accommodate building growth that met the other proportional demands of buildings. This was brought to the district's attention as the WEA was seeking to increase the number of teachers on personal leave by 1 to allow more members to use their earned benefit on the same day. This issue was denied, but the 71-80 category naturally occurred through discussions when comparing to the previous categories.
3. The WEA disagrees with the district statements about avoiding cost implications by the added personal day. The WEA questions why the cost is not a concern to the district when blackout dates are applied? It appears to the WEA that the district is more concerned with controlling when days are taken versus the cost.

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.

WEA RESPONSE: The WEA withdraws issue 6.

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.

Years of Service in District

District Matching Contribution

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.

WEA RESPONSE: The WEA proposal remains the same to remove the Lifetime Maximum District Contribution (matching benefit).

1. As stated by the District, a lifetime cap currently already exists under law. This promotes longevity as an earlier concern by the district.

9/28/23 DISTRICT RESPONSE: The District maintains its previous response, namely that 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.

10/2/23 WEA RESPONSE:

1. As per the Process Agreement, the WEA encourages the district to provide a concise rationale for the district response.
2. The WEA proposal remains the same to remove the Lifetime Maximum District Contribution (matching benefit).
 - a. As stated by the District, a lifetime cap currently already exists under law. This promotes longevity as an earlier concern by the district.
3. The WEA does not feel blackout dates correlate to capping 403b funds.
4. The WEA believes maximum contributions have been addressed for other employees.

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.

WEA RESPONSE: WEA is currently seeking counsel from Education Minnesota, topics will include seniority, calendar dates / length of school year, salary and pre-school.

9/28/23 DISTRICT RESPONSE: The District will respond after WEA makes its proposal.

10/2/23 WEA RESPONSE: According to statute ECFE and Preschool are in the bargaining unit and are entitled to all benefits within the WEA contract.

Rational - Abiding by new legislation.

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.

WEA RESPONSE: The WEA proposal remains the same..

1. The WEA believes compacting classes across all grade levels is not what is best for children. The current practice of compacting 4 elementary classes into 3 classes for specialist classes does not provide the high standard of education that District 110 should offer. This is resulting in an average of 35 elementary students in a specialist's class (Art, Phy. Ed, Music, Media).
 - a. Additionally there is compacting occurring for specialists at the middle school and high school specialists.
 - b. The WEA does not believe this is a safe learning environment with this many students.

9/28/23 DISTRICT RESPONSE: The District maintains its response and respectfully declines WEA's proposal.

1. In effect, WEA is proposing 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.
2. Additionally, the District worked through a comprehensive budgeting process to determine the best way to manage staffing during SOD.
3. WEA's data is inaccurate. The largest specialist class has 33 students. The average class size in core cases is 24 and the average class size in specialist classes is 30.
4. The District has no reason to believe current class sizes are unsafe. WEA was unable to identify any staff member of student who has been injured as a result of specialists having 30 students in a classroom.

5. WEA has not presented any data showing that the current class sizes are not comparable to class sizes in other school districts.
6. WEA's proposal has financial implications. Decreasing specialist class sizes will decrease the money available to make salary schedule improvements. The District encourages WEA to make a financial proposal. The District is eager to get a new contract in place for WEA's members, but cannot do so without a financial proposal.

10/2/23 WEA Response: The WEA withdraws issue 10.

1. The WEA never received a list of comparable districts that the district mentioned in their first response.
2. The WEA is hopeful of no incidents due to large class sizes and crowded space with 1 teacher.
3. The quality of education in these classes does not meet district 110 standards due to the large class sizes.
4. The WEA strongly disagrees with this practice.

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.

WEA RESPONSE: The WEA is seeking out more information from outside sources.

10/2/23 WEA RESPONSE: The WEA will revisit issue 11 during the financial proposal.

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 5th 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.

E. 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.

WEA RESPONSE: The WEA declines changing sick bank language.

1. WEA members should not be taxed on deposit or withdrawals as they have already met the IRS regulations:
 - a. The WEA master agreement states “Written application for a teacher to use the sick bank is made to Committee. “
 - b. IRS regulations are met within the application.

9/28/23 DISTRICT RESPONSE: The District proposed to modify Article XII, Section 2, subdivision 12 (sick leave bank) to bring it into compliance with IRS rulings and eliminate tax liability for WEA members who donate sick leave. WEA rejected the District’s proposal. In caucus after the last negotiations session, the District decided to withdraw its proposal and is documenting that decision here so WEA’s bargaining team does not need to unnecessarily devote time to this issue. Donations to the sick leave bank will continue to be taxable based on applicable IRS rulings.

10/2/23 WEA RESPONSE: The WEA is in agreement that the CBA should reflect that the donations are not taxable; we have only rejected the proposed changes that are inconsistent with or unnecessary to meet this goal. Adding seeking the sick bank form as an appendix would accomplish this mutual goal. This continues to show compliance with the IRS tax rules and further proves the WEA has met all IRS sick bank requirements to be tax free. This has no cost

implications to the district, and ensures no administrative wages are needed to monitor the sick bank.

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

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

WEA ADDITIONAL 2ND PROPOSAL ITEM

ISSUE 14 (WEA), MEMORANDUM OF AGREEMENT, SCHOOL LIBRARY AID

WEA PROPOSAL: The WEA proposes to restore licensed personnel to the media centers that were lost due to recent previous budget cuts.

Rational:

1. We are in desperate need of media support. Research shows schools that have dedicated licensed media specialists to support students and staff have higher reading achievement.
2. New state funding has recently allocated new library aid dollars for fiscal years 2024 and 2025.
 - a. Fiscal year 2024 - \$72,750
 - b. Fiscal year 2025 - \$73,268

9/28/23 DISTRICT RESPONSE: WEA's proposal does not relate to a term and condition of employment; the decision to hire or reduce staff is an inherent managerial right. The District is not obligated to negotiate over inherent managerial rights. Additionally, the new legislation states that schools will receive \$16.11 per pupil or \$40,000. MDE has not identified the actual amount District 110 will receive. With all this said, in anticipation of receiving additional funding, the District has already posted for a secondary level position that will be shared between two buildings.

10/2/23 WEA RESPONSE: The WEA withdraws issue 14 with the understanding that new library aid monies will be used for licensed personnel. The WEA hopes to see all libraries in the district fully staffed by licensed media specialists.

