

Labor Relations and BTF Negotiations Update

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Nathaniel Kuzma, General Counsel

State of Labor Relations in the District

In contract with ten out of eleven of our Unions (Year settled)

- BCSA (2022)
 - PCTEA (2022)
 - Local 264, Cook Manager (2022)
 - Local 409 (2022)
 - SUB (2021)
 - Local 264, Food Service (2021)
 - BEST (2021)
 - TAB (2021)
- BASA (2021)
Local 264, Service Center (2021)
- BTf (Expired June 30, 2019)**

Current BTF Negotiations

District's Priorities

1. Provide a fair and competitive compensation package to current Buffalo teachers as soon as possible.
2. Stabilize the District's budget by bringing contract provisions in line with the marketplace; protect and preserve the District's financial stability for the future.
3. Increase the District's ability to appropriately fill athletic coaching appointments with the most qualified coach.
4. By negotiating work rule flexibility, increase educational opportunity and learning time equity for our students.

Facts About Buffalo's Teacher Contract

- At an average of 7% of premium equivalent, district teachers contribute the least toward health insurance as active employees amongst comparable districts. In most district's, teachers contribute at least 15% toward premium.
- Buffalo provides the best, most valuable health insurance benefits in retirement compared with other districts. The District's 22-23 budget includes \$54.8 million for retiree health insurance with an opportunity cost per teacher, per year, of \$12,000.00, which are dollars that could be used on current teacher salaries, if not for this costly benefit.
- In addition to valuable retiree health insurance benefits, Buffalo teachers receive additional compensation upon retirement by selling back sick days and through an early retirement incentive. No other district provides these two benefits in addition to top-of-the line retiree health care.
- Our teacher salaries are competitive compared with comparable districts through the first thirteen years of a career. From years fourteen through the end of their careers, they earn less local suburban teacher salaries.
- Buffalo's 26 step salary schedule is amongst the longest for teachers to reach top step compared with salary schedules in suburban districts, but not among the Big 6. (Salary Schedule is 27 steps but teachers begin at Step 2).

District Proposal-Wages From Most Recent Proposal

- Effective immediately upon ratification: **6%** (or **4.94%** if the parties agree to remove Step 16 from salary table.) This represents an average increase of \$4320 per teacher.
- July 1, 2023: **6%** This represents an average increase of \$4,580 per teacher.
- July 1, 2024: **4%** (or **2.94%** if the parties agree to remove Step 16 from salary schedule.) This represents an average increase of \$3286.00 per teacher.
- Average teacher salaries would increase from \$72,000 to approximately \$84,000 over the term of the District's proposal.
- Additionally, all active teachers will receive a one time 6% bonus of his/her new salary upon ratification that on average will be \$4,500.00. Adult Learning Center teachers will receive a one-time \$500.00 bonus.
- For teachers that retired between September 1, 2019 and today, are eligible for a payment of up to \$1,500.00 depending when he/she retired.

District Proposal-Wages From Most Recent Proposal

- Class instructors at the Adult Learning Center will be provided with a new thirty (30) minute preparation period for the purpose of preparing lessons and completing necessary paperwork.
- Effective July 1, 2023, increase teacher per pupil allowance from \$8.00 to \$10.00. Additional increase by \$1.00 effective July 1, 2024.
- Provide a \$1,000.00 stipend for teachers with a bilingual extension when providing instruction in a class where the bilingual extension is necessary and required.
- Increase stipends for guidance counselors, reading specialists, social workers, attendance teachers, and other TOSA's by \$100.00 to help address instructional and social-emotional needs of students, post pandemic.

District Proposals-Health Insurance

From Most Recent Proposal

- Health Insurance

- Active Employees:

July 1, 2022 Contribute 13% of premium equivalent

July 1, 2023 Contribute 14% of premium equivalent

July 1, 2024 Contribute 15% of premium equivalent

- Future retirees:

Effective upon ratification, contribute the same percentage toward premium equivalent as active employees.

- What a 13% contribution means on an annual basis for a teacher:

- Family plan:

From \$1500 to \$2,793 (per year) for the highest cost plan

- Individual plan:

From \$600 to \$1,257 (per year) for the highest cost plan

District Proposals-Health Insurance

- Medicare Advantage Plan: Teachers who retire subsequent to ratification will automatically be enrolled in the District's Medicare Advantage Plan upon reaching Medicare eligibility.
- Retiree Health Care: New Hires as of ratification are not eligible for this benefit.
- Supplemental Benefits (Vision/Dental): Increase by \$50 per member to \$650 effective July 1, 2023. Increase to \$675 effective July 1, 2024

District's Work Rule Proposals

- Propose modifying in collaboration with the BTF, the CBA to modernize the teacher transfer process.
- Implementation of the athletic coach hiring MOU to ensure our student-athletes have access to high quality athletic coaches.
- Flexibility in determining the starting and ending times at schools to support decreased learning loss.
- Hiring of teachers during the summer will be based on district seniority rather than prior summer of years of summer employment.
- Provision allowing for the development of a 43-week calendar as opposed to a 42-week calendar, to support the professional development of teachers and to decrease learning losses experienced by students during the pandemic.

BTF Proposals 49 and 50 From Most Recent Proposal

2019-2020: 13.8%	10% + COLA (1.7%)	Remove Step 9	(2.1%)
2020-2021: 13.7%	10% + COLA (1.9%)	Remove New Step 12	(1.8%)
2021-2022: 13.8%	10% + COLA (1.4%)	Remove New Step 7	(2.4%)
2022-2023: 18.9%	10% + COLA (5.9%)	Remove New Step 2	(3.0%)
2023-2024: 15%	10% + COLA (3.0%)	Remove New Step 10	(2.0%)
2024-2025: 14.7%	10% + COLA (2.0%)	Remove New Step 5	(2.7%)
2025-2026: 12.6%	10% + COLA (2.0%)	Remove New Step 18	(.6%)

TOTAL: 112.5%

- These increases are retroactive and apply to salary schedule, coaching rates, and psychologist salaries.
- COLA in future years is unknown but conservatively estimated based on current trends.
- BTF 50 proposes increasing the teacher salary schedule by COLA on each July 1, including year beyond expiration.

BTF Proposal 52

From Most Recent Proposal

- The hourly rate for teachers shall be $1/1100^{\text{th}}$ of their annual salary for each hour or part thereof they are employed. Current hourly rate is \$31.85.
- This proposal is retroactive to July 1, 2019
- If agreed to, this proposal increases the hourly rate by 102% or to approximately \$63.00 immediately upon signing of the agreement.

Differences in Cost of Proposals

- 4/28/22 District Proposal
 - 22-23 net cost - \$37 million (1 Year)
 - 4-year net cost - \$181 million
 - Run rate at Year 4 - \$53 million
- 5/6/22 BTF Proposals 49, 50, 52
 - 22/23 net cost - \$ 675 million (1 year)
 - 4-year net cost - \$2.2 Billion
 - Run Rate at Year 4- \$600 million

Differences in Cost of Proposals

- This analysis only includes three of the BTF's 87 proposals, most of which have an economic impact on the District. Therefore, the real costs of the BTF's package proposal far exceed the cost of these three proposals, and there is added uncertainty due to the proposals built in COLA adjustments.
- BTF proposals 49, 50, and 52 are \$638 million more expensive than District's in 22/23
- BTF proposals 49, 50, and 52 are over 2 billion more expensive over four years.
- BTF proposals 49, 50, and 52 has a run rate that is at least \$547 million more than the District's proposal.
- BTF proposals 49, 50, and 52 increase average base teacher salaries from the present \$72,000 to \$162,000 by year 25-26 with an additional average of \$27,000 in extra activity costs bringing annual teacher compensation in 25-26 to \$189,000. The District proposal brings the average teacher salary to approximately \$84,000.
- As a comparison, the District's 2016 settlement with the BTF covering July 1, 2004 through June 30, 2019 (15 years) cost approximately \$99 million.

Projected Cost of Proposals – Impact on District Budget and Fund Balance

- Current District Fund Balance - \$313.0 million
- District proposal uses nearly 60% of Fund Balance reserves within 4 years
- BTF proposals 49, 50, and 52 will **fully deplete all** of the District's available financial reserves immediately upon signing of the agreement, and it would require nearly double our available fund balance to pay for the BTF's proposed raises.
- If the District were to agree to the BTF proposal, it would immediately **render the District insolvent and unable to operate.**

Next Steps

- After meeting with a PERB appointed mediator over the course of a year on at least seven sessions in addition to numerous efforts to bargain with the BTF without the mediator, on June 23, 2022, the District requested that PERB appoint a fact finder to move forward and assist the parties in reaching a successor collective bargaining agreement.
- The District remains willing to negotiate in a fair and meaningful process which will prove to be respectful to teachers (who our deeply appreciated) while financially allowing the district to operate in ways financially which will:
 - Continue to offer programming and professional development opportunities that will encourage high and equitable academic achievement for all the students in the Buffalo Public Schools.