

**District's Counter Proposal
to TALB
K-12 and CDC/Head Start**

September 30, 2011

K-12: Article VI - Compensation

CDC/Head Start: Article VI - Compensation

In an attempt to mitigate the effects of the current state fiscal crisis and its impact on the District the following proposals are presented to TALB for all K-12 and CDC/Head Start bargaining unit members for the purpose of implementing cost containment.

A. Salary Schedules and Regulations:

1. ~~Implement seven (7) furlough days to modify the work year.~~
2. ~~Freeze on salary steps~~

B. Health and Welfare Benefits

1. ~~Effective January 1, 2012, eligible full time unit members will contribute 5% of their health and welfare insurance costs. Employee contributions will be collected over ten (10) months on a pre-tax basis under the IRS 125 plan.~~

Per paragraph 5 below, limit the District's allocation towards medical, dental and vision to a total annual maximum contribution per eligible unit member, or equivalent cost containment arrangement.

The District proposes that a small District/TALB subcommittee be formed to review current health benefits, relevant comparability data and options for substantially reducing the district's long term projected increased costs for health benefits. The subcommittee will meet during the month of October 2011 and report its findings to the respective District/TALB bargaining teams. The bargaining teams will convene negotiations on health benefits beginning no later than November 1, 2011. Three dates shall be initially established for the month of November.

2. Change the pharmacy program for the Blue Shield HMO TALB employees from the self-insured to the HMO program.
3. Eliminate the names of all of the health carriers except for Kaiser within the contract to provide greater leverage for negotiating future contracts with vendors. A description of the plan will be included in the contract.
4. Adjust the co-pay for pharmaceutical services to be the same as other District employees.
5. Consider alternative ways to address cost containment such as but not limited to increasing deductibles and co-pays.