



Teachers Association of Long Beach, CTA/NEA

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UPDATE

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BARGAINING UPDATE:

DISTRICT INTENSIFIES ATTACK ON EMPLOYEE HEALTH CARE *LATEST LBUSD HEALTH BENEFITS PROPOSAL REGRESSIVE*

The LBUSD has upended bargaining by making a regressive proposal to cut even more from employee health care than previously signaled. The District's latest proposal not only proposes a HARD CAP on employee benefits (setting a maximum dollar amount the district will contribute to health care, leaving employees vulnerable to paying the annual premium increases); they reinstated their proposal to have classroom teachers, nurses, and librarians pay an ADDITIONAL 5% of the health care premium for the current year.

In the past year of bargaining the District proposed a 5% premium co-pay for employees. They then replaced that proposal with a HARD CAP on employee coverage. And now, they have moved to a HARD CAP on contributions at the current health care rates MINUS 5%, essentially combining their last two takeaway proposals into a hybrid. Their latest proposal would annually cost current employees in the PPO anywhere from \$456 for a single employee, to over \$1,000 for families; in addition to the co-pays already in place. (The District's latest proposal was distributed to Reps at Tuesday's Rep Council, and is posted on the TALB website under the "Bargaining Update" section).

The District claims the HMO's have "no cost, below cap"...but this is misleading since they propose a HARD CAP and any increased employer contributions would require further negotiations. That means future salary increases will be held hostage to increases in the HARD CAP, and very quickly the HMO and PPO plans will include steep employee contributions. In a few short years, the PPO will be cost prohibitive for most employees...leaving fewer in the plan and thereby causing steeper premium increases and a likely collapse in the plan. **Under the District proposal increases of \$100 dollars or more EVERY YEAR in health care co-pays could become the "new normal" in Long Beach, leaving only the highest paid administrators held harmless to the inflationary impacts of ever increasing premiums co-pays.**

Even worse, these proposals by the District do NOTHING to address the potential tax implications of Federal Health Care legislation on employees, meaning employees could be hit with even more costs in 2018.

Bargaining is next scheduled for February 3. The parties have agreed to invite a mediator to participate informally in the next few sessions to see if progress can occur. **However, if the District continues to take a regressive stance, only organizing and unity by TALB members will protect our health care.**

THE "NEW" LONG BEACH WAY?

The unrelenting attacks on employee health care in the past few years would be bad enough in any District. But Long Beach claims to be a better place often citing "The Long Beach Way" as a path to a well run school District. Few would argue that increasing health costs are a challenge for employers. **But lest the District forget, TALB members agreed to health care cuts in the LAST round of bargaining, pay cuts (furloughs), AND saw over 500 members of our bargaining unit laid off.** In THIS ROUND we agreed to sit down and look at additional ways to curtail health cost increases and consider implementing those changes in the next round of bargaining. **We have done our best to work with the District in every possible way during these challenging times...but enough is enough!**

The District has consistently taken an inconsistent shotgun approach on the health care issue. **First**, there was their initial proposal last January, favored by their past CBO, calling for a 5% uncapped premium co-pay on all health care costs. **Next**, there was complete paralysis from the District during spring and summer. **Now**, the new CBO (Jim Novak) who came from the Palm Springs schools, appears ready to push for a Palm Springs style health care model in Long Beach.

The District's sudden claims of urgency to impose more health care cuts are suspect. They back up their proposal with vague statistics and graphs. On closer inspection some interesting observations can be culled from their public budget documents (available on the LBUSD website):

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1. **LBUSD fiscal administrators often claim our health care is out of line in comparison to other Districts.** So we looked at a few comparable districts to see if this was true. Compared to similar larger districts such as LBUSD, San Francisco, Corona-Norco, Elk-Grove, San Diego, and Garden Grove in the 2010-2011 year we found the following:
 - LBUSD is mid-range (4th out of 6 districts) on the percent of the budget (12.49%) spent on health benefits for all employees.
 - LBUSD is mid-range (4th out of 6 districts) in the percent of the budget (46.66%) spent on teacher, nurse, and librarian salaries.
 - LBUSD is high-range (2nd out of 6 districts) on the percent of budget (6.22%) spent on administrators salaries.
 - LBUSD has the highest paid high school principals of the comparable districts (and two of them at each site, to boot).
 - **LBUSD has the second highest unrestricted reserve (a.k.a., "savings" account) of the comparable districts at 13.93% of the budget, this is nearly 12% more than required by law.**
2. **The LBUSD beginning balance has INCREASED from \$99,971,376 last year to \$109,929,850 this year.** While we applaud responsible fiscal practices this increase was on the backs of TALB members in the form of salary cuts (furloughs), health benefit cuts, and the layoff of over 500 teachers. Was the only point of these cut backs, and their latest demands for more cuts to health care, to allow an increase of their savings account by \$10 million dollars?
3. **The amount they have budgeted on teachers, nurses, and librarians has dropped from 46.66% of the total budget last year to 44.41% of the total budget this year.** The cost of health benefits for ALL employees is only projected to increase from 12.49% last year, to a budgeted amount of 13.93% next year. That means all employees, including TALB members, are costing them LESS in their budget NOT MORE, as their rhetoric suggests. **And it also means that those closest to the classroom and kidsclassroom teachers, nurses and librarians....are not the budget priority in the District.** If we were then, the total percent spent on the classroom would have remained static or increased as they looked for cuts in other areas to balance their budget during the lean fiscal times. And keep in mind; these numbers are based on their actual costs last year compared to their budget for this year. Their budgeted numbers are always conservative and tend to error on the high end. So, expect their actual costs on benefits and the percent they spent in the classroom to actually decrease by the end of the year.
4. **Their total costs for salary and benefits has been dropping since 2009-2010, meaning they are spending less on health care and salaries as a percent of their budget, not more.** It also means that they are spending less on the people who work with kids.
5. **Their unrestricted ending balance, not counting the amount they have to keep for economic uncertainties, was the highest it has ever been, shooting from \$51,300,030 in 2009-2010 to \$83,225,686 in 2010-2011.** So, while they are claiming poverty, laying off classroom teachers, and making cuts in health care, they are just taking the money "saved" and putting it into the bank in record amounts.

Is this the "new" Long Beach way of doing business?

A district where affordable quality health care is based on the level of your salary as the classroom teachers, school secretaries, custodians, nurses, librarians, counselors and maintenance workers are asked to pay a higher percentage of their salary to keep their health benefits, while the highest paid administrators see the least impact?

A district that demands massive health care takeaways a year after employees have already given up jobs, cuts in salaries, cuts in benefits, and salary cuts (furloughs)?

A district that uses savings from the sacrifices of employees to increase the balance in their savings account to record levels?

The District can still look at the facts, and take a different approach. More importantly, the District can give meaning to the words, "the Long Beach way" and the administration's oft uttered words of appreciation for the district's employees, by working collaboratively and by withdrawing the unwarranted attack on one of our most necessary and valued working conditions...quality and affordable health care.

LAYOFFS LIKELY...NOT CLEAR WHAT PROGRAMS WILL BE HIT DISTRICT MOVES TO ELIMINATE HEAD START AND CUT CDC

The layoff situation is unclear at this writing. On the K-12 front the District has indicated that temporary and special contracts will not be renewed, putting a few hundred TALB members (many who were already laid off as regular or probationary employees) in limbo until the state budget is resolved. There isn't much more to cut in K-12, and with retirement attrition, the District should be able to fully restore some of the laid off teachers going into next year, but threatened cuts at the State level will make preparation of a budget and staffing for the coming year a challenge.

The District has also signaled that it is considering dropping the Head Start program entirely next year. TALB has indicated that we were willing to try to work with the District on ways to save the program for the long term. In any scenario, we stated that it is not responsible to let down the community, the kids, and the employees, by dropping the program with so little notice (the School Board hasn't even officially taken up the matter).

The District also indicated they are considering possible cuts to CDC based on the Governor's budget proposal, but they were not prepared to indicate what cuts might actually occur.

QUESTIONS? CONCERNS? CALL TALB AT 562-426-6433 OR GO TO WWW.TALB.ORG