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January 11, 2017

**VIA FAX EMAIL AND CERTIFIED MAIL/RETURN RECEIPT REQUESTED**

Mr. Victor E. Blackwell  
Executive Director  
Illinois Educational Labor Relations Board  
160 North LaSalle Street  
Suite N-400  
Chicago, Illinois 60601-3369

***Re: Revised notice of recent offers and cost summaries by the  
Board of Education, Rockford School District No. 205 and  
Local 1275 of Council 31, AFSCME (Bus Drivers)***

Dear Mr. Blackwell:

I write in connection with the Board of Education's Rockford School District No. 205 ("School District") earlier correspondence, dated January 10, 2017 filing notice of recent offers, cost summaries, and other required information. This information was provided in keeping with the provisions of Section 12(a-5) of the Illinois Educational Labor Relations Act ("the Act") (115 ILCS 5/12(a-5)) and applicable regulations at 80 Illinois Administrative Code §1130.35(e).

The School District submits a revised notice of the Summary and Cost of the District's and Union's Proposals.

In the interests of ensuring all parties are reviewing the same versions of documents, the School District resubmits all enclosures which it previously sent on January 10, 2017, with the sole change as noted above to the Summary and Cost document. Accordingly, enclosed please find:

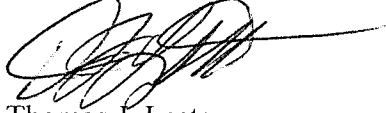
- a. the District's Last, Best and Final Offer, dated November 15, 2016;
- b. the Union's November 10, 2016 Proposal;
- c. a revised Summary and Cost of District's and Union's Proposals; and
- d. Contract Facts – AFSCME Local 692 (Paraprofessionals), AFSCME Local 1275 (Bus Drivers), AFSCME Local 3210 (Nutrition Services)

January 11, 2017

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Very truly yours,

HINSHAW & CULBERTSON LLP

A handwritten signature in black ink, appearing to read 'TJL', with a long horizontal flourish extending to the right.

Thomas J. Lester

TJL:ejb

cc: Dr. Ehren Jarrett (by e-mail and regular U.S. Mail)  
Mr. Edward Sadlowski, AFSCME (by e-mail and regular U.S. Mail)  
Commissioner Randall Larson, FMCS (by e-mail and regular U.S. Mail)  
Ms. Ashley C. Smith, President, AFSCME Local 1275 (by e-mail and regular U.S. Mail)  
Lori Hoadley, Esq., General Counsel (by e-mail)

**STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD**

**NOTICE OF FILING AND CERTIFICATE OF SERVICE**

The undersigned non-attorney hereby certifies that she caused a copy of the foregoing Revised Notice of recent offers and cost summaries between the Board of Education, Rockford School District No. District 205 and Local 1275 of Council 31 of the American Federation of State, County and Municipal Employees to be served upon the parties listed below on January 11, 2017 in the following manner:

**BY FACSIMILE and Certified Mail/Return Receipt Requested**

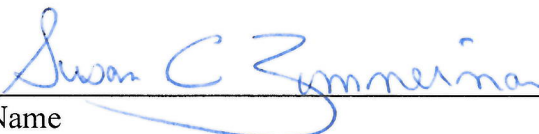
Victor Blackwell, Executive Director  
Illinois Educational Labor Relations Board  
160 North LaSalle Street, Suite N-400  
Chicago, Illinois 60601-3369  
Fax: 312-793-3369

**By E-Mail and Regular First Class Mail**

Edward Sadlowski  
Local 1275 of Council 31  
AFSCME, AFL-CIO  
212 South First Street  
Rockford, IL 61104

Randall Larson, Mediator  
Federal Mediation and Conciliation Service  
2126 N. Perryville Road  
Rockford, IL 61107

Ms. Ashley C. Smith  
President, AFSCME Local 1275  
726 South 5<sup>th</sup> Street  
Rockford, IL 61104

  
\_\_\_\_\_  
Name

LAST, BEST AND FINAL OFFER PRESENTED ON  
NOVEMBER 15, 2016 (AS CORRECTED)

Contract Negotiations

RPS #205 and Bus Drivers

District's November 15, 2016 response and counter-proposal to the  
Union's proposal of November 10, 2016

The following are the District's response and counter-proposals to the Union's proposal of November 10, 2016. The District proposes the following as a "package" (and, as such, this proposal is to be accepted or rejected in its entirety).

**Section 12.2 Minimums** – The District has previously agreed to the Union's withdrawal of its proposal; current language.

**Section 12.5 Emergency Situations** – The District has previously agreed to the Union's withdrawal of its proposal; current language.

**Section 13.2 Sick Days** – The District has previously agreed to the Union's withdrawal of its proposal; current language.

**Section 13.6 Personal Leave** – The District rejects the Union's November 15, 2016 proposal; current language.

**Article XV Insurance and Other Benefits** – The District rejects the Union's November 15, 2016 proposal; the District re-proposes its proposal of September 1, 2016 (including contributions, pharmacy steerage, emergency room co-pay and Teledoc) and rejects the Union's additional proposals for changes to the Plan. However, as part of this proposal, the District again proposes that the changes to the Plan, employee contributions, etc. not become effective until **July 1, 2017** and, therefore, that the existing Plan and rates will remain in effect until June 30, 2017 (with the District's previously proposed changes (as noted in its September 1, 2016 proposal) becoming effective on July 1, 2017).

**Section 17.1 Rates** – The District accepts the wage schedule proposed by the Union but rejects the rest of the Union's proposal of November 10, 2016 and counters with the following:

|                             |         |
|-----------------------------|---------|
| Probationary to 1 year..... | \$14.00 |
| 1 Thru 2 yrs.....           | \$14.00 |
| 3 yrs.....                  | \$14.00 |
| 4 yrs.....                  | \$14.37 |
| 5 yrs.....                  | \$14.75 |
| 6 yrs.....                  | \$15.14 |
| 7 yrs .....                 | \$15.51 |
| 8 yrs .....                 | \$15.92 |
| 9 yrs .....                 | \$16.33 |
| 10 yrs .....                | \$16.77 |
| 11 yrs.....                 | \$17.22 |
| 12 yrs .....                | \$17.68 |
| 13 yrs .....                | \$18.16 |

|                 |         |
|-----------------|---------|
| 14 yrs .....    | \$18.65 |
| 15 yrs .....    | \$19.17 |
| 16 yrs .....    | \$19.85 |
| 17 & over ..... | \$20.88 |

Wage adjustments to become effective on the date that the adjustments are approved by the District's Board.

The District also submits the following proposals or re-proposals on other wage related issues:

- b) The step increase for each employee shall be effective July 1 of each year.
- c) Employees become eligible for an increase on their base pay as a result of longevity with the District. Eligibility for longevity pay will be based on the employee's particular anniversary of certification of the employee's appointment with the District in accordance with the below schedule:

- 12 years = an additional 2% increase to base pay
- 17 years = an additional 2% increase to base pay (for a cumulative amount of 4%)
- 22 years = an additional 2% increase to base pay (for a cumulative amount of 6%)
- 27 years = an additional 3% increase to base pay (for a cumulative amount of 9%)

The maximum an employee's base pay will be increased via longevity pay will be a cumulative amount of 9% over 27 years of service.

In addition to the above, an employee with less than 5 complete school years of service to the District who is absent for not more than three (3) of the involved employee's full and/or partial scheduled work days during an entire semester of the school year, regardless of the reason for the absence, shall be eligible for a \$500.00 bonus for that semester. Where eligible, the employee shall receive payment for the bonus following the close of the involved semester. There shall otherwise be no pro-ration of the bonus amounts set forth in this paragraph for partial semesters worked.

Additionally, an employee with 5 or more complete school years of service to the District who is absent for not more than three (3) of the involved employee's full and/or partial scheduled work days during an entire semester of the school year, regardless of the reason for the absence, shall be eligible for a \$250.00 bonus for that semester. Where eligible, the employee shall receive payment for the bonus following the close of the involved semester. There shall otherwise be no pro-ration of the bonus amounts set forth in this paragraph for partial semesters worked.

**Section 17.2 Starting Wages and Rehires** – The District re-proposes its proposal of September 1, 2016.

**Section 17.4 NEW Pay Rates** – The District has previously agreed to the Union's withdrawal of this proposal.

**Article XXII Termination** – The District proposes a three (3) year agreement (7/1/2016 through 6/30/2019).

The District reserves the right to amend, revise, withdraw and/or supplement this proposal at any time prior to a final, complete and binding agreement between the parties.

Council 31 AFSCME, for and on behalf of Local 1275,  
and the Rockford Public Schools #205  
Union Revised Counter Proposal  
November 10, 2016

Rec'd 11/10/16  
10:17 AM

The following constitutes a package proposal, as such; it must be accepted or rejected in its entirety. The Union reserves the right to make additions, modifications, amendments, deletions, or corrections to these proposals. No agreement is final until approved by ratification by the membership. No portion of these proposals shall be deemed a waiver of any existing rights; all proposals regarding existing rights are merely attempts to codify existing conditions.

### Section 13.6 - Personal Leave

*changed*  
Effective July 1, 2017, and thereafter, all employees will be allowed three (3) of their sick days to use as personal leave for the purpose of handling personal affairs which cannot be transacted on the weekend or after school hours. Personal leave shall be granted on request except on the day preceding or following a legal or special holiday and/or the first or last day of school. A written request stating the reason shall be submitted to the Director of Transportation or a designee for approval. An employee will be allowed to use one (1) day of their personal leave to attend their child's or step-child's graduation even if that day falls on the last day of school or preceding or following a holiday. Employees shall be allowed to use personal leave time on snow/emergency, SIP, Parent Teacher Conferences, or Institute Days, Special Holidays, or any school calendar day which would otherwise be unpaid days.

## ARTICLE XV - INSURANCE AND OTHER BENEFITS

### Section 1

Bargaining unit employees whose normal work schedule is twenty-five (25) hours or more per week are eligible for health insurance coverage and dental insurance coverage. Health/dental care coverage eligibility is determined by accumulating all hours worked by an employee in the service of the Board of Education. It is not necessary that all such hours be in positions covered by this Collective Bargaining Agreement. In addition, for those employees who are eligible for insurance coverage, the Employer shall provide \$20,000 life insurance at no cost to the employee.

Premiums will be deducted in equal installments from the first two paychecks of each month of the academic year (i.e., September through May). Monthly premiums shall be paid in equal installments such that employee premiums will be prorated across a 9 month period thereby providing coverage across a 12 month period.

**PPO#3-500 and PPO 500 Wellness:** For the 2013-2014 academic year, Employees who enroll in the PPO#3-500 Wellness Plan will pay monthly premiums equal to twelve and one-half percent (12.5%) of the total health insurance premium cost applicable to each coverage level (i.e., employee, employee & child; employee & spouse; and family). For the 2014-2015 academic year and thereafter, Employees who enroll in the PPO#3 500 Wellness plan will pay monthly premiums equal to fifteen percent (15%) of the total health insurance premium cost applicable to each coverage level (i.e., employee, employee & child; employee & spouse; and family). Notwithstanding, the premium will be reduced as follows for Employees who meet the Wellness Plan Criteria:

#### PPO 500 Wellness:

| 9 Month Employees: | 2013/14  | 7/1/14 - 6/30/16 | 7/1/16 |
|--------------------|----------|------------------|--------|
| Employee           | \$53.33  | \$58.66          |        |
| Employee/children  | \$106.66 | \$117.33         |        |
| Employee/Spouse    | \$109.33 | \$120.26         |        |
| Family             | \$166.66 | \$183.33         |        |

Council 31 AFSCME, for and on behalf of Local 1275,  
 and the Rockford Public Schools #205  
 Union Revised Counter Proposal  
 November 10, 2016

> New

The PPO 500 shall have the following fixed premiums paid over the course of 9 months:

|                          |                 |
|--------------------------|-----------------|
| <u>PPO 500:</u>          | <u>7/1/16</u>   |
| <u>Employee</u>          | <u>\$129.40</u> |
| <u>Employee/Children</u> | <u>\$260.05</u> |
| <u>Employee/Spouse</u>   | <u>\$275.51</u> |
| <u>Family</u>            | <u>\$400.35</u> |

PPO 1000#2 and HSA: Beginning in the 2013-2014 academic year, in addition to the PPO#500 Plan, the Employer will have two additional health insurance plans [i.e., a higher deductible PPO plan (PPO 1000) and a health savings account (HSA)]. Following ratification of the Agreement by the parties, the Plan shall include an additional PPO 1000 Wellness option. The PPO 1000, PPO 1000 Wellness, and HSA shall have the following fixed premiums paid over the course of 9 months:

| <u><del>10/1/13</del> <del>6/30/16</del> 7/1/16</u> | <u>PPO 1000</u> | <u>HSA</u>  | <u>PPO 1000 Wellness</u> |
|---|-----------------|-------------|--------------------------|
| <u>Employee</u>                                     | <u>\$ 33</u>    | <u>\$ 0</u> | <u>\$14.85</u>           |
| <u>Employee + Ch</u>                                | <u>\$ 80</u>    | <u>\$ 0</u> | <u>\$36.00</u>           |
| <u>Employee + Sp</u>                                | <u>\$ 83</u>    | <u>\$ 0</u> | <u>\$37.35</u>           |
| <u>Employee + family</u>                            | <u>\$ 136</u>   | <u>\$ 0</u> | <u>\$61.20</u>           |

As for the HSA Plan, the District will contribute the following sums in the employee's HSA account in accordance with the Plan criteria:

|                          | <u>HSA</u>    | <u>HSA Wellness</u> |
|--------------------------|---------------|---------------------|
| <u>Employee</u>          | <u>\$ 400</u> | <u>\$ 650</u>       |
| <u>Employee + Ch</u>     | <u>\$ 600</u> | <u>\$ 1150</u>      |
| <u>Employee + Sp</u>     | <u>\$ 700</u> | <u>\$ 1200</u>      |
| <u>Employee + family</u> | <u>\$ 800</u> | <u>\$ 1500</u>      |

Employees who do not elect Medical Insurance, shall pay the following monthly premiums for Dental Insurance in equal installments such that employee premiums will be prorated across a 9 month period thereby providing coverage across a 12 month period:

| <u>Dental Only <del>10/1/13</del> <del>6/30/16</del> 7/1/16 9 mth</u> |                |
|---|----------------|
| <u>Employee</u>   | <u>\$7.00</u>  |
| <u>Employee + Ch</u>  | <u>\$13.51</u> |
| <u>Employee + Sp</u>  | <u>\$14.00</u> |
| <u>Employee + family</u>  | <u>\$20.00</u> |

For Employees who take insurance, half of the monthly premium payment for insurance will be deducted from the first two paychecks of each month. In the event of a third paycheck in a month, there will be no insurance premium deducted unless there is a refund or deduction to correct a specific situation.

Changes in premiums will be effective at the start of each academic year. Notwithstanding, for the 2013/2014 2016/2017 academic year, changes in premiums, and/or Plan design will not take

Council 31 AFSCME, for and on behalf of Local 1275,  
and the Rockford Public Schools #205  
Union Revised Counter Proposal  
November 10, 2016

effect until such time as both parties have ratified this Agreement and after the close of open enrollment. Following ratification, the Employer shall schedule an open enrollment period to provide employees an opportunity to enroll in the Insurance Plan of their choice. There will be an annual Benefit Choice period for those employees, spouses, and retirees who are eligible for participation in the Insurance to individually select one of the benefit plans, or who wish to switch health benefit plans for future Plan years. HSA or PPO 1000 plan. Eligible employees who do not enroll in the HSA or PPO 1000 plan will remain in the PPO 500 Wellness plan and pay the PPO 500 Wellness plan premiums during the 2013/2014 school year. In order to remain on the PPO 500 Wellness plan in the 2014/2015 academic year, employees participating in the HSA Wellness plan or the PPO 500 Wellness plan will be required to undergo a Health Risk Assessment and Biometric Screen on or before March 31, 2014. Thereafter, employees participating in the HSA Wellness plan or the PPO 500 Wellness plan will be required to successfully complete the annual Wellness Plan requirements. ~~earn 100 points annually.~~ The District will provide each Employee enrolled in the PPO 500 Insurance Plan reasonable notice of pending changes to the employee's payroll deduction status.

The District has designed the Wellness Plan to cover wellness exam benefits at 100% if done by an in-network provider. The wellness exam benefits are not subject to a deductible, co-insurance or co-pay so long as the provider is able to code the visit as "wellness" and so long as exam is not diagnostic in whole or in part.

If the Employer grants more favorable health insurance deductibles, out of pocket maximums, coinsurance, Physician Office Visit Co-Pay, and Prescription Drug terms to other employee groups following the ratification of this Contract Addendum, then Employees shall be entitled to receive the more favorable health insurance deductibles, out of pocket maximums, coinsurance, Physician Office Visit Co-Pay, and Prescription Drug terms. The required extension of terms and conditions of employment during the course of bargaining an open contract is exempt from this provision.

**Additional RPS Proposals for Changes to the PLAN:**

1. **Pharmacy Steerage:** Union Rejects-Status Quo
2. **Emergency Room Co-Pay:** Union counter-\$100 per visit
3. **Tele-doc:** Institute this program at "No Cost to the Employee".

**Additional Union Proposals for Changes to the PLAN:**

1. **Wellness: Plan requirements are as follows:**
  - a. Complete Health Risk Assessment;
  - b. Share and review Personal Health Evaluation Report with own personal physician;
  - c. Participate in Health Coaching, if contacted (at least initial contact and one follow up, if requested).



Council 31 AFSCME, for and on behalf of Local 1275,  
 and the Rockford Public Schools #205  
 Union Revised Counter Proposal  
 November 10, 2016

**Section 17.1 RATES**

Effective ~~7/1/2013~~ 7/1/2016 through ~~6/30/2016~~ 6/30/2018 the hourly wage rates are as follows:

2019

} type  
 correction

7/01/2016

|                                |         |         |
|--------------------------------|---------|---------|
| a) Probationary to 1 year..... | \$11.41 | \$14.00 |
| 1 Thru 2 yrs.....              | \$12.41 | \$14.00 |
| 3 yrs.....                     | \$13.17 | \$14.00 |
| 4 yrs.....                     | \$13.54 | \$14.37 |
| 5 yrs.....                     | \$13.92 | \$14.75 |
| 6 yrs.....                     | \$14.31 | \$15.14 |
| 7 yrs.....                     | \$14.71 | \$15.51 |
| 8 yrs.....                     | \$15.12 | \$15.92 |
| 9 yrs.....                     | \$15.55 | \$16.33 |
| 10 yrs.....                    | \$15.99 | \$16.77 |
| 11 yrs.....                    | \$16.44 | \$17.22 |
| 12 yrs.....                    | \$16.90 | \$17.68 |
| 13 yrs.....                    | \$17.38 | \$18.16 |
| 14 yrs.....                    | \$17.87 | \$18.65 |
| 15 yrs.....                    | \$18.39 | \$19.17 |
| 16 yrs.....                    | \$18.91 | \$19.85 |
| 17 & over.....                 | \$19.94 | \$20.88 |



used all  
 10/31/16  
 new schedule

~~b) In the third year of the agreement, union members will receive a one-time lump sum bonus of \$300.00.~~

b) The Step increase for each employee shall be effective July 1 of each year. If an anniversary date is achieved or will be achieved during the first semester of the school year, the rate change will be effective on the first working day of the first semester.

c) Effective July 1, 2017, all hourly wage rates shall be adjusted by one and nine-tenths percent (1.9%)

~~e) If an anniversary date is achieved or will be achieved during the second semester of the school year, the rate change will be effective on the first working day of the second semester.~~

d) Effective July 1, 2018, all hourly wage rates shall be adjusted across the board by two and one-half percent (2.5%).

Employees become eligible for an increase on their base pay as a result of longevity with the District. Eligibility for longevity pay shall be effective July 1 of each year will be based on the

Council 31 AFSCME, for and on behalf of Local 1275,  
and the Rockford Public Schools #205  
Union Revised Counter Proposal  
November 10, 2016

particular anniversary of certification of the employee's appointment with the District in accordance with the below schedule:

- 12 years = an additional 2 % increase to base pay (for a cumulative amount of 5%)
  - 17 years = an additional 2 % increase to base pay (for a cumulative amount of 4 %)
  - 22 years = an additional 2 % increase to base pay (for a cumulative amount of 6%)
  - 27 years = an additional 3% increase to base pay (for a cumulative amount of 9%)
- The maximum an employee's base pay will be increased via longevity pay will be a cumulative amount of 9% over 27 years of service.

Effective 7/1/17, the longevity schedule shall be adjusted in accordance with the below schedule:

*change*

- 7 years = an additional 2% increase to base pay
- 12 years = an additional 2-3% increase to base pay (for a cumulative amount of 5%)
- 17 years = an additional 2-3% increase to base pay (for a cumulative amount of 4 8%)
- 22 years = an additional 2-3% increase to base pay (for a cumulative amount of 6 11%)
- 27 years = an additional 3% increase to base pay (for a cumulative amount of 9-14%)

The maximum an employee's base pay will be increased via longevity pay will be a cumulative amount of 9 14% over 27 years of service.

In addition to the above, Drivers employed by the District over each complete school semester shall be additionally compensated with a \$150.00 talent retention bonus for each respective school semester. The payment of the talent retention bonus shall be disbursed on the last payroll scheduled for each school semester for years 2016-2017, 2017-2018, and 2018-2019.

**Section 17.2 Starting Wages and Rehires- Union Rejects-Status Quo**

### ARTICLE XXII TERMINATION

This Agreement shall be in full force and effect as of July 1, 2016 ~~2013~~, and shall continue in full force and effect until Midnight, June 30, 2019 ~~2016~~, and thereafter from year to year unless either party hereto notifies the other in writing no later than April 1, 2019 ~~2016~~, or any April 1 thereafter, that it desires to terminate or otherwise modify this Agreement.



## RPS 205 FINAL OFFER OF NOVEMBER 15, 2016 TO AFSCME LOCAL 1275 (BUS DRIVERS) - PACKAGE PROPOSAL

The following is a summary of key proposal highlights by contract section and subject

Representatives of RPS 205 and AFSCME Local 1275 have been meeting for many months, starting May 16, 2016. The District's "last, best and final offer" was presented to the Union on November 15, 2016, and an impasse was declared on January 3, 2017. The offer includes several tentative agreements that have been reached by the parties during 15 bargaining sessions over the past nine months. This has been a very long process and the District believes that this offer provides a competitive new contract for our bus drivers and economic predictability for the Rockford Public Schools.

### Section 13.6 - Personal Leave

#### *Proposal:*

The Union has requested, effective July 1, 2017, to be allowed to use three (3) of their accrued sick days as "personal leave" for any reason. (The expired contract language limits the reasons for which sick days may be used as personal leave.) The Union's proposal would also allow the use of personal leave to cover parent/teacher conferences, special holidays, etc.. The District has proposed maintaining the expired contract language on these topics, leaving in place the limitations under which sick days may be converted to personal days.

#### *Rationale:*

- Sick days are granted for an employee's use to cover personal illness and similar absences. While employees have been allowed to use a few of these days for personal leave and similar reasons, the Union's proposal seeks to expand the circumstances under which sick days may be used which will, in turn, result in increased costs to the District.
- The District's proposal demonstrates to the residents of Winnebago/Boone counties that the District, administration and teachers are reasonable fiscal agents of the public monies.

Cost: Increased costs will certainly result, depending upon the number of personal leave days used by each employee inasmuch the absences must be filled either by employees receiving premium pay or by substitutes.

### Article XV - Insurance and Other Benefits

#### *Proposal:*

- Effective July 1, 2017, the District has proposed changes to the present health insurance program, including the contributions paid by the employees for coverage by those programs. The District's proposal also includes pharmacy "steerage" language, emergency room co-pays and the use of "Tele-doc" services, all of which have been proposed in order to minimize expenses to the plan. Under the District's proposal, effective July 1, 2017, the health insurance plan would be amended as follows:

Employees who enroll in PPO-500 Wellness Plan will pay monthly premiums equal to seventeen and one-half percent (17.5%) of the total health insurance premium cost applicable to each coverage level (i.e., employee, employee & child, employee & spouse, and family). If the employee opts to not participate in the Wellness plan, they will pay monthly premiums equal to twenty percent (20%) of the cost of the plan.

In addition to the PPO-500 Plan, the Employer will have two additional health insurance plans [i.e., a higher deductible PPO plan (PPO 1000) and a health savings account (HSA)]. The PPO 1000 and HSA shall have the following premiums:

| Rates as of July 1, 2017 |                  |                      |                   |                       |     |
|--------------------------|------------------|----------------------|-------------------|-----------------------|-----|
| Category                 | PPO-500 wellness | PPO-500 non-wellness | PPO-1000 wellness | PPO-1000 non-wellness | HSA |
| Employee                 | 17.5%            | 20%                  | \$47.16           | \$62.88               | \$0 |
| Employee + children      | 17.5%            | 20%                  | \$126.10          | \$165.52              | \$0 |
| Employee + Spouse        | 17.5%            | 20%                  | \$134.09          | \$175.99              | \$0 |
| Family                   | 17.5%            | 20%                  | \$218.70          | \$278.81              | \$0 |

As for the HSA Plan, the District will contribute the following sums in the employee's HSA account in accordance with the Plan criteria:

|                     | HSA    | HSA Wellness |
|---------------------|--------|--------------|
| Employee            | \$ 400 | \$ 650       |
| Employee + Children | \$ 600 | \$ 1150      |
| Employee + Spouse   | \$ 700 | \$ 1200      |
| Employee + family   | \$ 800 | \$ 1500      |

RPS 205 proposes the following changes to the plan:

1. Pharmacy Steerage: Employees who use CVS or Walgreens will pay an additional \$10 copay per prescription
2. Emergency Room Co-Pay: \$200 per visit.
3. Tele-doc: Institute this program.

**Rationale:**

- Seeks a gradual implementation of changes to the health care plan's premiums;
- Addresses the fact that since FY13, the District's health care costs have increased from \$37.7 million to \$44.4 million;
- Addresses plan design to provide more incentives to employees to help contain costs;
- Encourages staff to help manage costs through better plan design and consumer choices and is similar to health care plans being offered by other similarly-sized employers both in the Rockford area and nationally;
- Gives the staff the choice of different plan designs so that they may choose the plan that best fits their needs;
- Follows the lead of other public and private employers, including school districts, which have recognized this problem and have systematically begun moving toward different plan designs to address the same issues;
- Helps to control costs, so that the District may be able to spend more money to directly benefit students.

Costs: Inasmuch as the changes to the insurance would not occur until the 2<sup>nd</sup> year of the contract, the District would realize only 2 years of savings for a cumulative total of \$151,886 in healthcare savings, as follows:

The increased premiums would result in \$103,944 in savings to the District

The pharmacy steerage, the improvements to the wellness program, and the increase to the emergency room co-pay would result in projected savings of \$18,065, \$19,400, and \$24,444 respectively

The TeleDoc program will cost the District a cumulative amount of \$13,968

**Article XVII - Wages**

**Proposal:**

- The District has proposed an increase to the starting rate for bus drivers (from \$11.41 per hour to \$14.00 per hour) as well as wage increases through the wage progression based upon years of service. In addition, the District has continued to propose longevity increases for employees who have twelve (12) or more years of service with the District (up to a cumulative maximum of 9% longevity after twenty-seven (27) years of service).

The proposed wage schedule is as follows.

- |                        |         |
|------------------------|---------|
| Probationary to 1 year | \$14.00 |
| 1 thru 2 yrs           | \$14.00 |
| 3 yrs                  | \$14.00 |
| 4 yrs                  | \$14.37 |
| 5 yrs                  | \$14.75 |
| 6 yrs                  | \$15.14 |
| 7 yrs                  | \$15.51 |
| 8 yrs                  | \$15.92 |
| 9 yrs                  | \$16.33 |
| 10 yrs                 | \$16.77 |
| 11 yrs                 | \$17.22 |
| 12 yrs                 | \$17.68 |
| 13 yrs                 | \$18.16 |
| 14 yrs                 | \$18.65 |
| 15 yrs                 | \$19.17 |
| 16 yrs                 | \$19.85 |
| 17 & over              | \$20.88 |

- Longevity bonus:

- 12 years = an additional 2% increase to base pay
- 17 years = an additional 2% increase to base pay (for a cumulative amount of 4%)
- 22 years = an additional 2% increase to base pay (for a cumulative amount of 6%)
- 27 years = an additional 3% increase to base pay (for a cumulative amount of 9%)

- Attendance bonus:

In addition to the above, an employee with less than 5 complete school years of service to the District who is absent for not more than three (3) of the involved employee's full and/or partial scheduled work days during an entire semester of the school year, regardless of the reason for the absence, shall be eligible for a \$500 bonus for that semester

An employee with 5 or more complete school years of service to the District who is absent for not more than three (3) of the involved employee's full and/or partial scheduled work days during an entire semester of the school year, regardless of the reason for the absence, shall be eligible for a \$250 bonus for that semester.

In addition, the District has proposed crediting newly-hired bus drivers for prior service to other school districts as by placing them in the wage schedule based upon their past years of service.

*Rationale:*

- In order to better attract and retain skilled bus drivers, the District saw the need to increase its starting wage and the opportunities for drivers to progress in the wage schedule based upon length of service.
- The proposed wage schedule substantially increases the starting rate and provides opportunities for employees to receive wage adjustments throughout their service to the District. To attract experienced bus drivers, the District's proposal avoids the situation where newly-hired but experienced drivers have to "start over" at the entry level wage rate but, instead, allows them to be placed in the wage schedule in keeping with their previous service elsewhere as a bus driver.
- Demonstrates to the residents of Winnebago/Boone counties that the District, administration and drivers are responsible fiscal agents of the public monies.

Costs: Wages would increase a cumulative amount of \$17,293,636 over the course of the three years.

The attendance bonus would cost the district a cumulative amount of \$232,250 over the course of three years.

Cost comparison of the District's and Union's proposals

| Current Wage Schedule                   | FY 16        | FY 17              | FY 18              | FY 19              | TOTALS              |
|---|--------------|--------------------|--------------------|--------------------|---------------------|
| Wages                                   | \$5,205,955  | \$5,340,156        | \$5,519,290        | \$5,697,284        | \$21,762,685        |
| Effective Increase \$ vs FY16 Current   | n/a          | \$134,201          | \$313,335          | \$491,329          | \$938,865           |
| Effective Increase % vs. FY16 Current   | n/a          | 2.6%               | 6.0%               | 9.4%               | 18.0%               |
| <b>11-15-16 Administration Proposal</b> | <b>FY 16</b> | <b>FY 17</b>       | <b>FY 18</b>       | <b>FY 19</b>       | <b>TOTALS</b>       |
| Wages                                   | n/a          | \$5,493,670        | \$5,807,869        | \$5,992,097        | \$17,293,636        |
| Less than 5 yrs Attendance Bonus        | n/a          | \$47,500           | \$39,500           | \$26,500           | \$113,500           |
| 5+ yrs Attendance Bonus                 | n/a          | \$34,750           | \$33,750           | \$45,250           | \$118,750           |
| Healthcare Savings/Costs                | n/a          | n/a                | -\$75,943          | -\$75,943          | -\$151,866          |
| <b>TOTAL</b>                            |              | <b>\$5,575,920</b> | <b>\$5,810,176</b> | <b>\$5,987,904</b> | <b>\$17,374,000</b> |
| Effective Increase \$ vs FY16 Current   | n/a          | <b>\$369,965</b>   | <b>\$604,221</b>   | <b>\$781,949</b>   | <b>\$1,756,135</b>  |
| Effective Increase % vs FY16 Current    | n/a          | <b>7.1%</b>        | <b>11.6%</b>       | <b>15.0%</b>       | <b>33.7%</b>        |
| <b>11-10-16 Bus Driver Proposal</b>     | <b>FY 16</b> | <b>FY 17</b>       | <b>FY 18</b>       | <b>FY 19</b>       | <b>TOTALS</b>       |
| Wages                                   | n/a          | \$5,673,882        | \$5,975,537        | \$6,342,687        | \$17,992,106        |
| Retention Bonus                         | n/a          | \$70,200           | \$70,200           | \$70,200           | \$210,600           |
| Healthcare Savings/Costs                | n/a          | n/a                | \$52,926           | \$52,926           | \$105,852           |
| <b>TOTAL</b>                            |              | <b>\$5,744,082</b> | <b>\$6,098,663</b> | <b>\$6,465,813</b> | <b>\$18,308,558</b> |
| Effective Increase \$ vs FY16 Current   | n/a          | <b>\$538,127</b>   | <b>\$892,708</b>   | <b>\$1,259,858</b> | <b>\$2,690,693</b>  |
| Effective Increase % vs FY16 Current    | n/a          | <b>10.3%</b>       | <b>17.1%</b>       | <b>24.2%</b>       | <b>51.7%</b>        |

**COST ASSUMPTIONS**

**For All 3 Years of the Proposal - BOTH Administration and Bus Driver Proposals**

- Steps 1, 2 and 3 are increased to \$14.00 per hour.
- Steps 4 - 17 increase by the \$ amount in the salary schedule ending June 30, 2016
- 184 compensated days work.
- 7.75 average hours per day which includes field trips, extracurriculars, student training, etc.

**ADMINISTRATION PROPOSAL**

- Effective 1/27/17 new pay table with corresponding raises
- Effective for FY 18 - 7/1/17, all wages increase by 0%.
- Effective for FY 19 - 7/1/18, all wages increase by 0%.
- Longevity bonuses increase to base is as follows:
  - Years 12, 17, and 22 will receive an additional 2% increase to base pay.
  - Year 27 will receive an additional 3% increase to base pay.
- Attendance Bonus:
  - Assumes 50% of employees will receive the bonus
  - Less than 5 years of service, Retention Bonus \$500 per semester
  - More than 5 years of service, Retention Bonus \$250 per semester
- First year contract pay to begin 1/27/17 - 5/26/17 - 79 days

**BUS DRIVER PROPOSAL**

**FY 17:**

- Longevity bonuses increase to base is as follows:
  - Years 12, 17, and 22 will receive an additional 2% increase to base pay
  - Years 27 will receive an additional 3% increase to base pay

**FY 18 & FY 19:**

- All bus drivers (234) will receive the \$150 per semester talent retention bonus
- Effective FY 18 - 7/1/17, all wages increase by 1.9%
- Effective FY 18 - 7/1/18, all wages increase by 2.5%
- Effective 7/1/17, longevity bonuses will be adjusted as follows:
  - Year 7 will receive an additional 2% increase to base pay
  - Years 12, 17, 22 and 27 will receive an additional 3% increase to base pay



## Contract Facts for Nutrition Services, Bus Drivers and Paraprofessionals

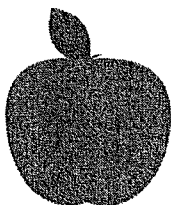
RPS 205 values all of its employees. The District's proposed contract:

the District's  
proposed contract  
provides a fair  
total compensation  
package

includes better  
benefits for the same  
positions than other  
school districts in  
our region

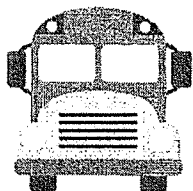
gives an additional  
\$1.2 million in wages  
and benefits over the  
next 3 years

### THIS REPORT CONTAINS:



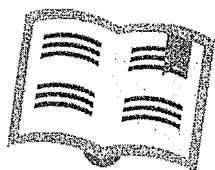
#### Key Issues for Nutrition Services

|   |   |
|---|---|
| District Proposal vs. Union Proposal .....                        | 2 |
| Current Wages and Compensation Structure .....                    | 3 |
| Employee Healthcare Premiums & Surrounding Area Comparables ..... | 4 |
| Current and Proposed Wage Ranges.....                             | 5 |



#### Key Issues for Bus Drivers

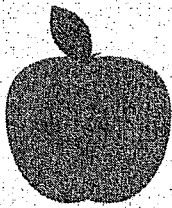
|   |   |
|---|---|
| District Proposal vs. Union Proposal .....                        | 6 |
| Current Wages and Compensation Structure .....                    | 7 |
| Employee Healthcare Premiums & Surrounding Area Comparables ..... | 8 |
| Current and Proposed Wage Ranges.....                             | 9 |



#### Key Issues for Paraprofessionals

|   |    |
|---|----|
| District Proposal vs. Union Proposal .....                        | 10 |
| Current Wages and Compensation Structure .....                    | 11 |
| Employee Healthcare Premiums & Surrounding Area Comparables ..... | 12 |
| Current and Proposed Wage Ranges.....                             | 13 |

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**KEY ISSUES FOR NUTRITION SERVICES:**  
**Health Insurance Employee Premiums and Wage Structure**

District Proposal vs. Union Proposal

**Health Insurance**

**District Proposal**

Same premiums as Rockford Education Association for all five insurance plans

Current and proposed employee premiums outlined on page 4

**Union Proposal**

**PPO 500 Wellness: New Premiums**  
 Employee..... \$58.66  
 Employee / children .....\$117.33  
 Employee / spouse.....\$120.26  
 Family .....\$183.33

**PPO 1000 Wellness: New Premiums**  
 Employee..... \$14.85  
 Employee / children ..... \$36.00  
 Employee / spouse.....\$37.35  
 Family .....\$61.20

**PPO 500 Non-Wellness, PPO 1000 Non-Wellness, HSA Wellness and HSA Non-Wellness: no change to insurance premiums**

**Wage Structure**

**District Proposal**

Continue annual average 2.6% step increase, plus additional:

1st year = 3% increase  
 2nd year = 2.5% increase

**Union Proposal**

Continue annual average 2.6% step increase, plus additional:

1st year = 10% increase  
 2nd year = 6% increase  
 3rd year = 6% increase

**FACT:**



Beginning in 2017, RPS 205 will offer six different health insurance plan options:

- PPO 500
- PPO 500 Wellness
- PPO 1000
- PPO 1000 Wellness
- HSA
- HSA Wellness

The PPO 1000 Wellness plan is new.

**FACT:**



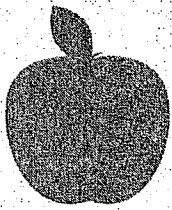
Under the District's proposed plan, health insurance premiums will be the same for all RPS 205 teachers, nutrition services, bus drivers and paraprofessionals.

**FACT:**



Under the District's proposed plan, the premium for employee-only coverage on the PPO 1000 plan will increase by \$14.16 a month (wellness) or \$29.88 a month (non-wellness).





## THE DISTRICT'S PROPOSED CONTRACT FOR NUTRITION SERVICES

The District's proposed contract provides  
a fair total compensation package.

### Current Wages and Compensation Structure for Nutrition Services

#### Hourly Wages

(wages include base and longevity rates)

|          |         |
|----------|---------|
| Starting | \$9.91  |
| Mid      | \$13.99 |
| High     | \$18.07 |

#### Hourly Total Compensation\*

(wages plus FICA, Med, IMRF and INS)

|          |         |
|----------|---------|
| Starting | \$22.93 |
| Mid      | \$27.75 |
| High     | \$32.56 |

\*Total compensation package includes:

FICA = Federal Insurance Contributions Act (FICA) tax

Med = Medicare

IMRF = Illinois Municipal Retirement Fund contributions

INS = Employer paid contributions for employee life and health insurance

#### FACT:



Total compensation for nutrition services ranges from \$22.93 - \$32.56 per hour.

"Total Compensation" represents the total benefits an employee receives: their hourly wage plus FICA, medical insurance premiums paid by RPS 205, retirement contributions and life insurance contributions.

#### FACT:



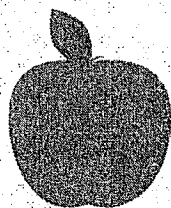
The District's proposed contract includes continuing the annual average 2.6% step increase plus additional:

- 1st year = 3% increase
- 2nd year = 2.5% increase

#### FACT:



56% of nutrition services do not qualify for health insurance since they work less than 6 hours per day.



**THE DISTRICT'S PROPOSED CONTRACT  
FOR NUTRITION SERVICES**  
includes better benefits for the same positions  
than other school districts in our region

**RPS 205 Employee Healthcare Premiums**

| PPO 500               | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------|----------------------------------|-----------------------------------|
| Employee Only         | \$129.40                         | \$172.53                          |
| Employee + Child(ren) | \$260.05                         | \$346.73                          |
| Employee + Spouse     | \$275.51                         | \$367.33                          |
| Family                | \$400.35                         | \$533.80                          |

| PPO 500 - Wellness    | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------|----------------------------------|-----------------------------------|
| Only                  | \$58.66                          | \$150.96                          |
| Employee + Child(ren) | \$117.33                         | \$303.38                          |
| Employee + Spouse     | \$120.26                         | \$321.41                          |
| Family                | \$183.33                         | \$467.08                          |

| PPO 1000              | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------|----------------------------------|-----------------------------------|
| Employee Only         | \$33.00                          | \$62.88                           |
| Employee + Child(ren) | \$80.00                          | \$165.52                          |
| Employee + Spouse     | \$83.00                          | \$175.99                          |
| Family                | \$136.00                         | \$278.81                          |

| PPO 1000 - Wellness   | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------|----------------------------------|-----------------------------------|
| Employee Only         | n/a                              | \$47.16                           |
| Employee + Child(ren) | n/a                              | \$126.10                          |
| Employee + Spouse     | n/a                              | \$134.09                          |
| Family                | n/a                              | \$218.20                          |

| Health Savings Account | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|------------------------|----------------------------------|-----------------------------------|
| Employee Only          | \$0 + \$400 HSA incentive        | \$0 + \$400 HSA incentive         |
| Employee + Child(ren)  | \$0 + \$600 HSA incentive        | \$0 + \$600 HSA incentive         |
| Employee + Spouse      | \$0 + \$700 HSA incentive        | \$0 + \$700 HSA incentive         |
| Family                 | \$0 + \$800 HSA incentive        | \$0 + \$800 HSA incentive         |

| Health Savings Account - Wellness | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------------------|----------------------------------|-----------------------------------|
| Employee Only                     | \$0 + \$ 650 HSA incentive       | \$0 + \$ 650 HSA incentive        |
| Employee + Child(ren)             | \$0 + \$1,150 HSA incentive      | \$0 + \$1,150 HSA incentive       |
| Employee + Spouse                 | \$0 + \$1,200 HSA incentive      | \$0 + \$1,200 HSA incentive       |
| Family                            | \$0 + \$1,500 HSA incentive      | \$0 + \$1,500 HSA incentive       |

**Surrounding Area Comparable Medical Premiums - Employee Premiums\***

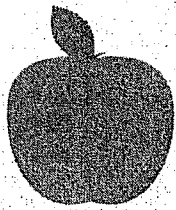
| Nutrition Services  | Belvidere    | Freeport   | Harlem       | Elgin        |
|---------------------|--------------|------------|--------------|--------------|
| Employee Only       | Outsourced** | \$43.99    | Outsourced** | Outsourced** |
| Employee + Child    | Outsourced** | \$1,288.33 | Outsourced** | Outsourced** |
| Employee + Children | Outsourced** | \$1,288.33 | Outsourced** | Outsourced** |
| Employee + Spouse   | Outsourced** | \$1,393.41 | Outsourced** | Outsourced** |
| Family              | Outsourced** | \$2,242.37 | Outsourced** | Outsourced** |

\*PPO Premiums are calculated using the percentage of medical benefits offered at those districts. Employee responsibility percentages are detailed on page 6.  
\*\* Services are outsourced; the District is not responsible for health care coverage.

**Surrounding Area Comparable Medical Premiums - Employee Responsibility.**

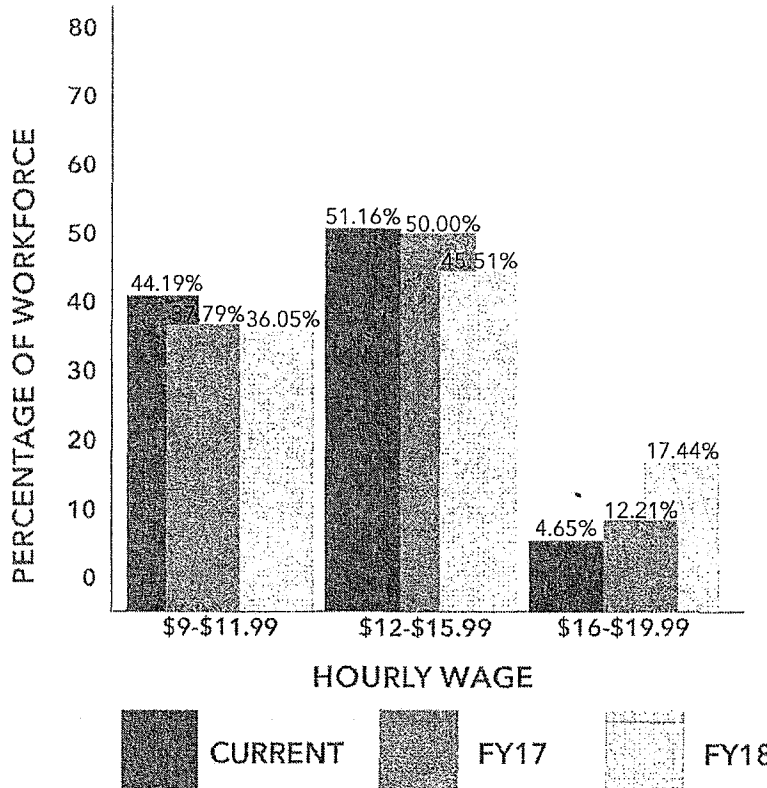
| Nutrition Services  | Belvidere   | Freeport        | Harlem      | Elgin       |
|---------------------|-------------|-----------------|-------------|-------------|
| Employee Only       | Outsourced* | 5% of plan cost | Outsourced* | Outsourced* |
| Employee + Child    | Outsourced* | All but \$480   | Outsourced* | Outsourced* |
| Employee + Children | Outsourced* | All but \$480   | Outsourced* | Outsourced* |
| Employee + Spouse   | Outsourced* | All but \$480   | Outsourced* | Outsourced* |
| Family              | Outsourced* | All but \$480   | Outsourced* | Outsourced* |

\* Services are outsourced; the District is not responsible for health care coverage.



**THE DISTRICT'S PROPOSED CONTRACT  
FOR NUTRITION SERVICES**  
gives an additional \$1.2 million in wages and  
benefits over the next 3 years

Current and Proposed Wage Ranges for Nutrition Services



**FACT:**



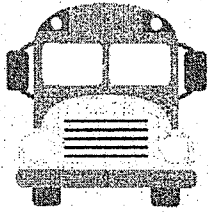
Under the District's proposed plan, 62.21% of nutrition services will be earning \$12 - \$19.99 per hour beginning in fiscal year 2017.

**FACT:**



A reserve level of 25% or greater is required to receive the ISBE's optimal rating for this heavily weighted Financial Profile factor.

The District is not permitted by law to use bond money to pay for nutrition services salaries or benefits.



## KEY ISSUES FOR BUS DRIVERS: Health Insurance Employee Premiums and Wage Structure

### District Proposal vs. Union Proposal

#### Health Insurance

##### District Proposal

Same premiums as Rockford Education Association for all five insurance plans

Current and proposed employee premiums outlined on page 4

##### Union Proposal

###### PPO 500 Wellness: New Premiums

|                           |          |
|---------------------------|----------|
| Employee.....             | \$58.66  |
| Employee / children ..... | \$117.33 |
| Employee / spouse.....    | \$120.26 |
| Family .....              | \$183.33 |

###### PPO 1000 Wellness: New Premiums

|                           |         |
|---------------------------|---------|
| Employee.....             | \$14.85 |
| Employee / children ..... | \$36.00 |
| Employee / spouse.....    | \$37.35 |
| Family .....              | \$61.20 |

PPO 500 Non-Wellness, PPO 1000 Non-Wellness, HSA Wellness and HSA Non-Wellness: no change to insurance premiums

#### Wage Structure

##### District Proposal

New starting wage: \$14  
New high-end wage: \$20.88  
Continue annual average 2.6% step  
Longevity up to 9%

##### Union Proposal

New starting wage: \$14.35  
New high-end wage: \$21.38  
Continue annual average 2.6% step  
Longevity up to 14%  
2nd year = 1.9% increase  
3rd year = 2.5% increase

#### FACT:



Beginning in 2017, RPS 205 will offer six different health insurance plan options:

- PPO 500
- PPO 500 Wellness
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The PPO 1000 Wellness plan is new.

#### FACT:

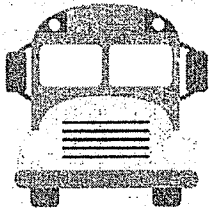


Under the District's proposed plan, health insurance premiums will be the same for all RPS 205 teachers, nutrition services, bus drivers and paraprofessionals.

#### FACT:



Under the District's proposed plan, the premium for employee-only coverage on the PPO 1000 plan will increase by \$14.16 a month (wellness) or \$29.88 a month (non-wellness).



## THE DISTRICT'S PROPOSED CONTRACT FOR BUS DRIVERS

The District's proposed contract provides  
a fair total compensation package

### Current Wages and Compensation Structure for Bus Drivers

| Hourly Wages<br>(wages include base and longevity rates) |         | Hourly Total Compensation*<br>(wages plus FICA, Med, IMRF and INS) |         |
|--|---------|--|---------|
| Starting   | \$11.41 | Starting   | \$23.45 |
| Mid  | \$16.57 | Mid  | \$29.54 |
| High   | \$21.73 | High   | \$35.63 |

\*Total compensation package includes:

FICA = Federal Insurance Contributions Act (FICA) tax

Med = Medicare

IMRF = Illinois Municipal Retirement Fund contributions

INS = Employer paid contributions for employee life and health insurance

#### FACT:



Total compensation for bus drivers range from \$23.45 - \$35.63 per hour.

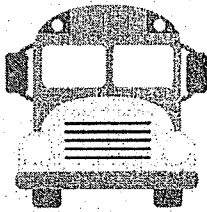
"Total Compensation" represents the total benefits an employee receives: their hourly wage plus FICA, medical insurance premiums paid by RPS 205, retirement contributions and life insurance contributions.

#### FACT:



The District's proposed contract includes:

- New starting wage: \$14
- New high-end wage: \$20.88
- Continue annual average 2.6% step
- Longevity up to 9%



## THE DISTRICT'S PROPOSED CONTRACT FOR BUS DRIVERS

includes better benefits for the same positions  
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| Employee + Spouse     | n/a                              | \$134.09                          |
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| Employee + Child(ren)  | \$0 + \$600 HSA incentive        | \$0 + \$600 HSA incentive         |
| Employee + Spouse      | \$0 + \$700 HSA incentive        | \$0 + \$700 HSA incentive         |
| Family                 | \$0 + \$800 HSA incentive        | \$0 + \$800 HSA incentive         |

| Health Savings Account - Wellness | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------------------|----------------------------------|-----------------------------------|
| Employee Only                     | \$0 + \$ 650 HSA incentive       | \$0 + \$ 650 HSA incentive        |
| Employee + Child(ren)             | \$0 + \$1,150 HSA incentive      | \$0 + \$1,150 HSA incentive       |
| Employee + Spouse                 | \$0 + \$1,200 HSA incentive      | \$0 + \$1,200 HSA incentive       |
| Family                            | \$0 + \$1,500 HSA incentive      | \$0 + \$1,500 HSA incentive       |

### Surrounding Area Comparable Medical Premiums - Employee Premiums\*

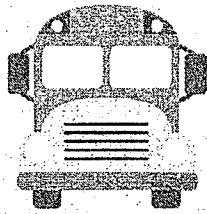
| Bus Drivers         | Belvidere  | Freeport   | Harlem   | Elgin    |
|---------------------|------------|------------|----------|----------|
| Employee Only       | \$439.95   | \$43.99    | \$0      | \$87.99  |
| Employee + Child    | \$1,768.33 | \$1,768.33 | \$115.83 | \$176.83 |
| Employee + Children | \$1,768.33 | \$1,768.33 | \$206.46 | \$176.83 |
| Employee + Spouse   | \$1,873.41 | \$1,873.41 | \$190.75 | \$187.34 |
| Family              | \$2,722.37 | \$2,722.37 | \$297.24 | \$272.24 |

\*PPO Premiums are calculated using the percentage of medical benefits offered at those districts. Employee responsibility percentages are detailed on page 6.  
\*\* Services are outsourced; the District is not responsible for health care coverage.

### Surrounding Area Comparable Medical Premiums - Employee Responsibility

| Bus Drivers         | Belvidere             | Freeport          | Harlem   | Elgin            |
|---------------------|-----------------------|-------------------|----------|------------------|
| Employee            | Only 50% of plan cost | 5% of plan cost   | \$0      | 10% of plan cost |
| Employee + Child    | 100% of dependent     | 100% of dependent | \$115.83 | 10% of plan cost |
| Employee + Children | 100% of dependent     | 100% of dependent | \$206.46 | 10% of plan cost |
| Employee + Spouse   | 100% of dependent     | 100% of dependent | \$190.75 | 10% of plan cost |
| Family              | 100% of dependent     | 100% of dependent | \$297.24 | 10% of plan cost |

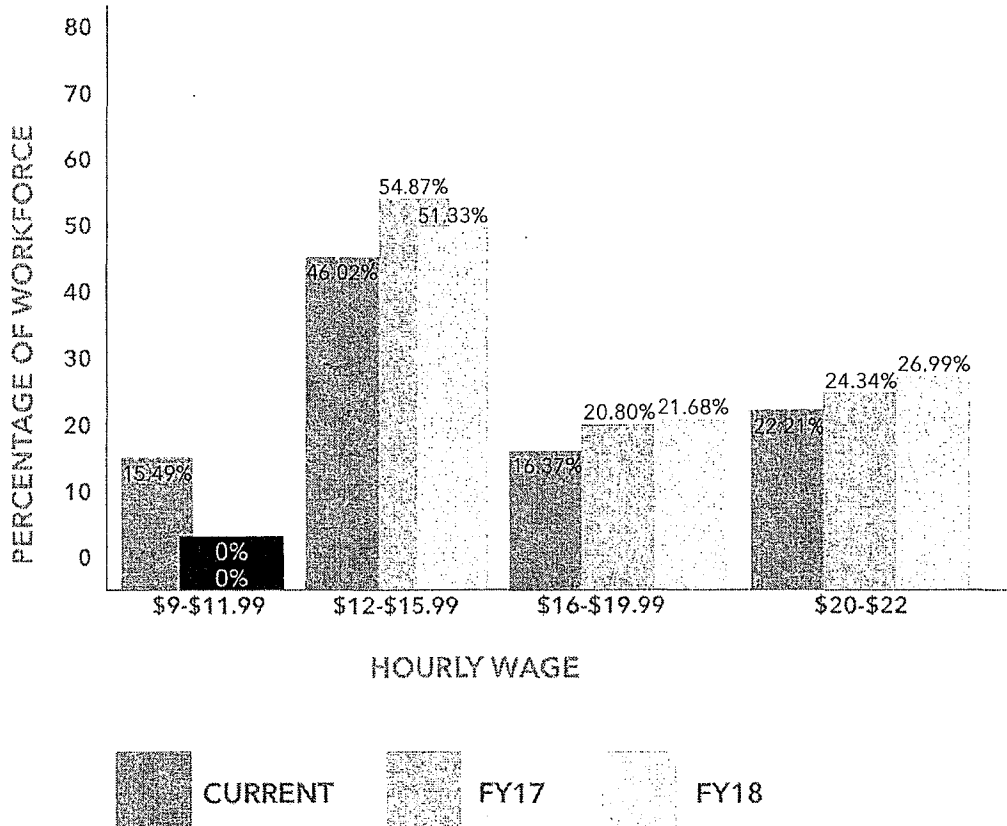
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## THE DISTRICT'S PROPOSED CONTRACT FOR BUS DRIVERS

gives an additional \$1.2 million in wages  
and benefits over the next 3 years

Current and Proposed Wage Ranges for Bus Drivers



**FACT:**



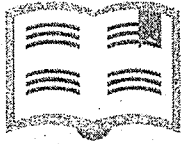
Under the District's proposed plan, 100% of bus drivers will be earning \$12 - \$22 per hour beginning in fiscal year 2017.

**FACT:**



A reserve level of 25% or greater is required to receive the ISBE's optimal rating for this heavily weighted Financial Profile factor.

The District is not permitted by law to use bond money to pay for bus drivers salaries or benefits.



**KEY ISSUES FOR PARAPROFESSIONALS:**  
**Health Insurance Employee Premiums and Wage Structure**

District Proposal vs. Union Proposal

**Health Insurance**

**District Proposal**

Same premiums as Rockford Education Association for all five insurance plans

Current and proposed employee premiums outlined on page 4

**Union Proposal**

**PPO 500 Wellness: New Premiums**

|                           |          |
|---------------------------|----------|
| Employee .....            | \$58.66  |
| Employee / children ..... | \$117.33 |
| Employee / spouse .....   | \$120.26 |
| Family .....              | \$183.33 |

**PPO 1000 Wellness: New Premiums**

|                           |         |
|---------------------------|---------|
| Employee .....            | \$14.85 |
| Employee / children ..... | \$36.00 |
| Employee / spouse .....   | \$37.35 |
| Family .....              | \$61.20 |

PPO 500 Non-Wellness, PPO 1000 Non-Wellness, HSA Wellness and HSA Non-Wellness: no change to insurance premiums

**Wage Structure**

**District Proposal**

1st year = 2.5% increase

2nd year = 1.9% increase

3rd year = 1.9% increase

\$1.00 per hour premium for identified self-contained classes

**Union Proposal**

1st year = 15% increase

2nd year = 10% increase

3rd year = 10% increase

**FACT:**



Beginning in 2017, RPS 205 will offer six different health insurance plan options:

- PPO 500
- PPO 500 Wellness
- PPO 1000
- PPO 1000 Wellness
- HSA
- HSA Wellness

The PPO 1000 Wellness plan is new.

**FACT:**



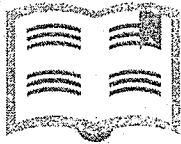
Under the District's proposed plan, health insurance premiums will be the same for all RPS 205 teachers, nutrition services, bus drivers and paraprofessionals.

**FACT:**



Under the District's proposed plan, the premium for employee-only coverage on the PPO 1000 plan will increase by \$14.16 a month (wellness) or \$29.88 a month (non-wellness).





## THE DISTRICT'S PROPOSED CONTRACT FOR PARAPROFESSIONALS

The District's proposed contract provides  
a fair total compensation package

### Current Wages and Compensation Structure for Paraprofessionals

| Hourly Wages<br>(wages include base and longevity rates) |         | Hourly Total Compensation*<br>(wages plus FICA, Med, IMRF and INS) |         |
|--|---------|--|---------|
| Starting   | \$10.63 | Starting   | \$22.69 |
| Mid  | \$14.54 | Mid  | \$27.30 |
| High   | \$18.44 | High   | \$31.91 |

\*Total compensation package includes:

FICA = Federal Insurance Contributions Act (FICA) tax

Med = Medicare

IMRF = Illinois Municipal Retirement Fund contributions

INS = Employer paid contributions for employee life and health insurance

#### FACT:



Total compensation for paraprofessionals range from \$22.69 - \$31.91 per hour.

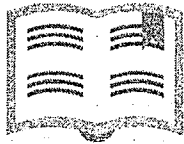
"Total Compensation" represents the total benefits a employee receives: their hourly wage plus FICA, medical insurance premiums paid by RPS 205, retirement contributions and life insurance contributions.

#### FACT:



The District's proposed contract includes:

- 1st year = 2.5% increase
- 2nd year = 1.9% increase
- 3rd year = 1.9% increase
- \$1.00 per hour premium for identified self-contained classes



**THE DISTRICT'S PROPOSED CONTRACT  
FOR PARAPROFESSIONALS**  
includes better benefits for the same positions  
than other school districts in our region

**RPS 205 Employee Healthcare Premiums**

| PPO 500               | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------|----------------------------------|-----------------------------------|
| Employee Only         | \$129.40                         | \$172.53                          |
| Employee + Child(ren) | \$260.05                         | \$346.73                          |
| Employee + Spouse     | \$275.51                         | \$367.33                          |
| Family                | \$400.35                         | \$533.80                          |

| PPO 500 - Wellness    | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------|----------------------------------|-----------------------------------|
| Only                  | \$58.66                          | \$150.96                          |
| Employee + Child(ren) | \$117.33                         | \$303.38                          |
| Employee + Spouse     | \$120.26                         | \$321.41                          |
| Family                | \$183.33                         | \$467.08                          |

| PPO 1000              | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------|----------------------------------|-----------------------------------|
| Employee Only         | \$33.00                          | \$62.88                           |
| Employee + Child(ren) | \$80.00                          | \$165.52                          |
| Employee + Spouse     | \$83.00                          | \$175.99                          |
| Family                | \$136.00                         | \$278.81                          |

| PPO 1000 - Wellness   | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------|----------------------------------|-----------------------------------|
| Employee Only         | n/a                              | \$47.16                           |
| Employee + Child(ren) | n/a                              | \$126.10                          |
| Employee + Spouse     | n/a                              | \$134.09                          |
| Family                | n/a                              | \$218.20                          |

| Health Savings Account | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|------------------------|----------------------------------|-----------------------------------|
| Employee Only          | \$0 + \$400 HSA incentive        | \$0 + \$400 HSA incentive         |
| Employee + Child(ren)  | \$0 + \$600 HSA incentive        | \$0 + \$600 HSA incentive         |
| Employee + Spouse      | \$0 + \$700 HSA incentive        | \$0 + \$700 HSA incentive         |
| Family                 | \$0 + \$800 HSA incentive        | \$0 + \$800 HSA incentive         |

| Health Savings Account - Wellness | Current Employee Monthly Premium | Proposed Employee Monthly Premium |
|-----------------------------------|----------------------------------|-----------------------------------|
| Employee Only                     | \$0 + \$ 650 HSA incentive       | \$0 + \$ 650 HSA incentive        |
| Employee + Child(ren)             | \$0 + \$1,150 HSA incentive      | \$0 + \$1,150 HSA incentive       |
| Employee + Spouse                 | \$0 + \$1,200 HSA incentive      | \$0 + \$1,200 HSA incentive       |
| Family                            | \$0 + \$1,500 HSA incentive      | \$0 + \$1,500 HSA incentive       |

**Surrounding Area Comparable of Medical Premiums - Employee Premiums\***

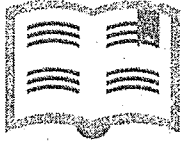
| Paraprofessionals   | Belvidere  | Freeport   | Harlem   | Elgin    |
|---------------------|------------|------------|----------|----------|
| Employee Only       | \$0        | \$43.99    | \$0      | \$87.99  |
| Employee + Child    | \$1,768.33 | \$1,288.33 | \$115.83 | \$176.83 |
| Employee + Children | \$1,768.33 | \$1,288.33 | \$206.46 | \$176.83 |
| Employee + Spouse   | \$1,873.41 | \$1,393.41 | \$190.75 | \$187.34 |
| Family              | \$2,722.37 | \$2,242.37 | \$297.24 | \$272.24 |

\*PPO Premiums are calculated using the percentage of medical benefits offered at those districts. Employee responsibility percentages are detailed on page 6.  
\*\* Services are outsourced; the District is not responsible for health care coverage.

**Surrounding Area Comparable of Medical Premiums - Employee Responsibility**

| Paraprofessionals   | Belvidere         | Freeport        | Harlem   | Elgin            |
|---------------------|-------------------|-----------------|----------|------------------|
| Employee Only       | 0% of plan cost   | 5% of plan cost | \$0      | 10% of plan cost |
| Employee + Child    | 100% of dependent | All but \$480   | \$115.83 | 10% of plan cost |
| Employee + Children | 100% of dependent | All but \$480   | \$206.46 | 10% of plan cost |
| Employee + Spouse   | 100% of dependent | All but \$480   | \$190.75 | 10% of plan cost |
| Family              | 100% of dependent | All but \$480   | \$297.24 | 10% of plan cost |

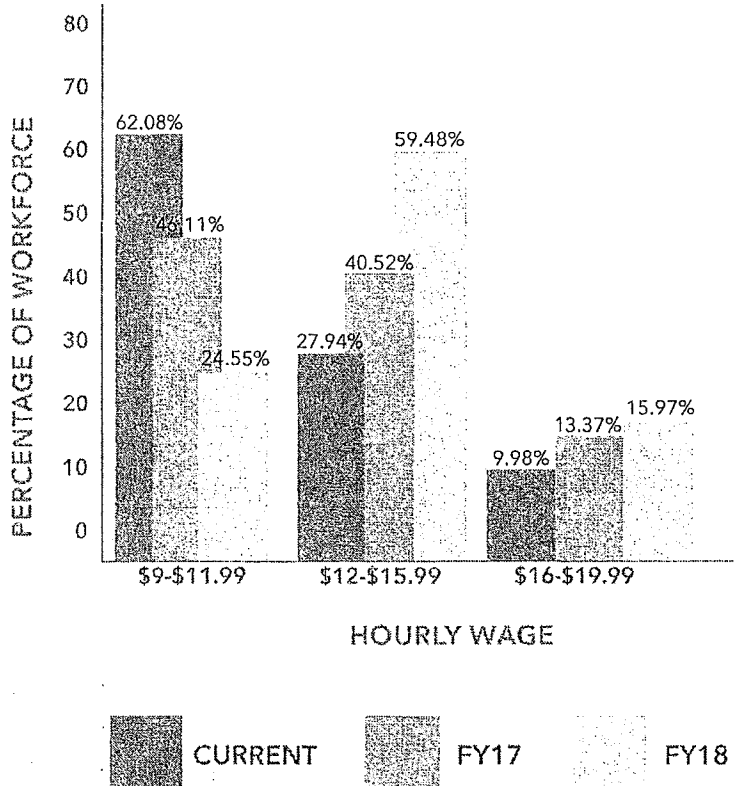
\* Services are outsourced; the District is not responsible for health care coverage.



## THE DISTRICT'S PROPOSED CONTRACT FOR PARAPROFESSIONALS

gives an additional \$1.2 million in wages  
and benefits over the next 3 years

Current and Proposed Wage Ranges for Paraprofessionals



**FACT:**



100% of paraprofessionals earn more than minimum wage. Under the District's proposed plan, 75.45% will be earning \$12 - \$22 per hour beginning in fiscal year 2018.

**FACT:**



A reserve level of 25% or greater is required to receive the ISBE's optimal rating for this heavily weighted Financial Profile factor.

The District is not permitted by law to use bond money to pay for paraprofessional salaries or benefits.

## FREQUENTLY ASKED QUESTIONS

**How many negotiation sessions have been held?** As of January 1, 2017: 14 session for Nutrition Services, 15 sessions for Bus Drivers and 11 sessions for Paraprofessionals.

**Are more negotiations sessions scheduled?** Yes. Sessions continue to be scheduled with all three groups.

**Have you made any progress?** Yes. Agreements have been reached on several points for each of the three unions. Sticking points in negotiations are salary and health care benefits.

**Are employees working without a contract? Do their pay and benefits continue?** Contracts expired on June 30, 2016 for three labor groups (paraprofessionals, nutrition service workers and bus drivers). Each employee group is still working under the same terms of their contracts, and their pay and benefits align with what was listed in the final year of each contract. Their pay and benefits will continue through negotiations.

**How many employees are in each of the collective bargaining unions?** The district has 532 paraprofessionals, 235 bus drivers and 178 nutrition service workers.

**How do these employees' health insurance premiums compare to the other RPS 205 employees?** The district's proposal would bring these three employee groups in line with other RPS 205 employees (Rockford Education Association and non-bargaining, non-certified staff) who are already paying 17.5% of monthly premiums if they participate in the district's PPO 500 wellness program. According to the district's proposal, employees would pay 20% of monthly premiums in the PPO 500 plan if they do not participate in the district's wellness program, which is also aligned with other RPS 205 employees. For those employees participating in the PPO 1000 plan, they are currently paying approximately 5% of the monthly premiums. According to the district's proposal, they would pay approximately 8% of the monthly premiums if they participate in the district's wellness program and approximately 10% if they do not participate in the wellness program.

**How does this compare to private-sector employees?** According to the 2016 survey of about 2,000 U.S. businesses by the Kaiser Family Foundation, families pay on average 30% of the premium for their health plans while employers pay 70% of the premium. In contrast, the employees in these RPS 205 bargaining groups currently pay 15% of the premium for non-wellness coverage. The district has proposed increasing that share to 20%. Even at that higher share, the district is asking the bargaining groups to pay only two-thirds of the percentage of the premium most employees across the country pay. To view this national survey in more detail, visit: <http://kff.org/health-costs/report/2016-employer-health-benefits-survey/>

**Is it true that most of these employees don't earn a living wage?** See chart on right for wages and total compensation for each employee group. Employees who work at least six hours each day are eligible for full-time benefits coverage (including FICA, Medicare, IMRF and INS). Employees also only work when school is in session.

**Has the district offered any wage increases?** Yes. The district has offered wage increases and wellness plan incentives.

**Why can't the district use its reserves?**

A reserve level of 25% or greater is required to receive the ISBE's optimal rating for this heavily weighted Financial Profile factor. It is also not wise to pay recurring expenses - like employee compensation - with one-time funds, such as reserves. District officials are not permitted under the law to use bond money allocated for capital improvements - such as construction and facilities upgrades - to pay for non-capital improvement employee salaries and benefits.

### Current Wages and Total Compensation

| Wages only (per hour): | Starting | Mid     | High    |
|------------------------|----------|---------|---------|
| Nutrition              | \$9.91   | \$13.99 | \$18.07 |
| Bus drivers            | \$11.41  | \$16.57 | \$21.73 |
| Paraprofessionals      | \$10.63  | \$14.54 | \$18.44 |

| Total Compensation* (per hour): | Starting | Mid     | High    |
|---------------------------------|----------|---------|---------|
| Nutrition                       | \$22.93  | \$27.75 | \$32.56 |
| Bus Drivers                     | \$23.45  | \$29.54 | \$35.63 |
| Paraprofessionals               | \$22.69  | \$27.30 | \$31.91 |

\*Includes FICA, Med, IMRF, INS