

## DISTRICT 111 FINANCIAL PROPOSAL

**August 2, 2016**

At 11:15 a.m. on August 2, the Union walked away from the mediation process and cancelled the parties' scheduled August 8<sup>th</sup> mediation session. There remain 16 outstanding language issues in Union proposals 1-37, and all issues remain unresolved in Union proposals 40-59. While the District believes much work remains to be done on those outstanding issues, the District presented a wage proposal and received a financial counterproposal from the Union, which was conditioned upon the District agreeing to compel "fair share" payments from non-member drivers and aides to the Union and agreeing to a "maintenance of standards" proposal. The District responded with a counteroffer that did not include "fair share" or "maintenance of standards", and the Union ended the mediation session.

To provide context for the parties' respective positions, the following is a summary of the financial impact of the Union's original proposals, with the dollar cost information taken from the Union's offer filed with the Illinois Educational Labor Relations Board on July 22, 2016.

### **2015-16 District 111 Wage/Pension (IMRF)/FICA Costs for Drivers and Aides = \$1,246,425**

| <u>Union Wage/Benefit Proposal Item</u> | <u>Approx. 1<sup>st</sup> Year \$ Cost</u> | <u>Approx. % Increase</u> |
|---|--|---------------------------|
| Wage Increases                          | \$69,458                                   | 5.6%                      |
| Retention Bonus (4% per year)           | \$44,872                                   | 3.6%                      |
| 12 Paid Holidays                        | \$98,386                                   | 7.9%                      |
| Life Insurance                          | \$8,850                                    | 0.7%                      |
| Attendance/Safety Bonus                 | \$7,862                                    | 0.6%                      |
| Retirement Bonus                        | \$2,369                                    | 0.2%                      |
| License Cost Reimbursement              | \$988                                      | 0.08%                     |
| Flu Shot Reimbursement                  | \$738                                      | 0.06%                     |
| <b>1 Year Total</b>                     | <b>\$233,523 New Money</b>                 | <b>18.74% Increase</b>    |
| Union Estimated Year 2 Increase         | \$66,510                                   | 4.5%                      |
| Union Estimated Year 3 Increase         | \$68,653                                   | 4.4%                      |
| <b>3 Year Total</b>                     | <b>\$368,686 New Money</b>                 | <b>27.64% Increase</b>    |

At the August 2<sup>nd</sup> mediation, the Union resubmitted proposed wage increases of 5.6%, 4.5% and 4.4%. Their retention bonus was reduced to 2% per year, and the proposal for paid holidays was reduced to 6 days. No changes were made to Attendance and Safety Bonus proposals, nor to the Retirement Bonus proposal. Life insurance, flu shots, and license reimbursements were withdrawn, but the entire proposal was contingent upon the District agreeing to compel “fair share” payments from non-members and “maintenance of standards” language as proposed by the Union. **The District estimates that the Union’s proposal reduced first year cost increases to 12.1%, with second and third year remaining at 4.5% and 4.4%, for a new 3 year total of 21% new money.**

To provide context for the wage discussion, the District provided the Union’s negotiating team with the wage rates of other local employers that employ school bus drivers.

| BUS DRIVER STARTING PAY |                      |
|-------------------------|----------------------|
| MINOOKA 111             | 17.67                |
| Reg. Route              | 42.00/Route          |
| Special Route           | 52.50/Route          |
| MINOOKA 201             | 18.00                |
| NAPERVILLE 203          | 15.96                |
| VALLEY VIEW             | 15.65                |
| LOCKPORT                | 13.72                |
| LEMONT 113A             | 14.86                |
| OSWEGO<br>DISTRICT 308  | 15.25                |
| MORRIS                  | 15.00                |
| TROY                    | 15.42                |
| PLANO 88                | 14.33                |
| JOLIET HS DIST<br>204   | 15.14                |
| CHANNAHON               | 15.00<br>39.69/Route |
| IL CENTRAL<br>BUS CO    | 14                   |
| 1ST STUDENT             | 15                   |
| GRAND PRAIRIE           | 13.75                |
| WESTWAY<br>COACH        | 14                   |

Other than District 201, District 111 pays the highest starting pay for drivers. Additionally, most drivers earn more in route pay, \$42 or \$52.50 per route (most routes approximately 2 hours), as opposed to the \$17.67 rate, which is paid only to a few 8 hour/day employees.

Given the fact that District 111 pays among the highest rates for drivers in the area, and given that the Union's total financial proposal remains wildly disproportionate and excessive, it should become more evident why the District is reluctant to continue outpacing comparable employers with ever-increasing wages and benefits. Combine that with the fact that several other employee groups in District 111, including administrators, have had their wages frozen for up to two years as part of the District's fiscal responsibility efforts, and it will be clear why the District has a vastly different view of what constitutes a "fair" financial settlement.

#### District 111 Wage Proposal

While a wage freeze would be fiscally and economically justified, not as a reflection of the respect the District has for the work of drivers and aides, but as a reflection of the District's leading position on wages, and its continued need to be fiscally responsible to the taxpayers, the District recognizes that everyone experiences increased costs and that an increase in wages should be made to the extent practical. Therefore, the District initially proposed:

Effective Upon Ratification – All current wage/route rates increase by 1%

Effective July 1, 2017 – All wage/route rates increase by the percentage increase in the U.S. Consumer Price Index-All Urban Consumers, measured from January 1, 2016 to December 31, 2016, with a maximum increase of 3%.

In response to the Union's counterproposal, the District proposed adding the attendance bonus as proposed by the Union, along with the District's proposal that summer route picks would be made with the drivers with the best attendance during the work year picking first. The District's proposal maintains its position as one of the top paying employers of bus drivers in the area, while providing reasonable cost of living increases and the opportunity for bonus pay. The Union's response was to leave mediation and cancel the August 8<sup>th</sup> session.