BOARD OF SCHOOL TRUSTEES OF MUNCIE COMMUNITY SCHOOLS OF DELAWARE COUNTY, INDIANA'S LAST BEST OFFER TO SETTLE THE 2015-2016 AND 2016-2017 MASTER AGREEMENTS

The Last Best Offers ("LBOs") are submitted by the Board of School Trustees of Muncie Community Schools of Delaware County, Indiana (the "District"), to settle the 2015-2016 and 2016-2017 Master Contract between the District and the Muncie Teachers Association (the "Association"). With these offers, the District certifies the District will not be in deficit financing as defined by IC 20-29 if these LBOs are accepted. All previous offers made by the District's Representative are rescinded and replaced by these LBOs.

The District submits the attached proposals which covers the complete salary, wages, and salary and wage related fringe benefits, including health, dental, vision, life, and disability.

The prohibition on deficit financing prohibits the District from offering the same level of salaries and benefits in its LBO that was offered during negotiations. The District proposes LBOs that are compliant with Indiana Law and that the District can afford both over the term of the contract and in the future.

MUNCIE DISTRICT'S LAST BEST OFFERS

1. **2015-2016 LBO:**
    a. Proposed contract terms: See Exhibit 1A.
    b. Amount to Fund: $26,315,606
    c. LBO Cost: $25,292,729
    d. CY 2016 DOE Certification of General Fund Revenue was $41,972,636. (See Ex. 4A)
    e. Covers 445 bargaining unit members. See Exhibit 8A.
2. **2016-2017 LBO**:
    a. Proposed contract terms: See Exhibit 1A
    b. Amount to Fund: $23,087,624
    c. LBO Cost: 22,087,624
    d. FY 2017 DOE Certification of General Fund Revenue is $43,442,992. (See Ex. 3A.)
    e. Covers 408 bargaining unit members. See Exhibit 8B.

NARRATIVE SUPPORTING MUNCIE COMMUNITY SCHOOL'S LAST BEST OFFER

1. Summary of Proposed CBAs

- Proposed Contract Terms: See Exhibit 1A.

- Summary:
    - **2015-2016**
        - If the District made no changes to the current salary structure, the cost of the 2015-2016 contract would be approximately $30 million. Since the District only has approximately $26 million to fund the contract, this would result in approximately $4 million in deficit financing.
        - The District's proposal costs approximately $25 million comprised of a ten (10) percent reduction in wages and salary compensation for teachers making between $36,005 and $61,006 and a twelve and one half (12.5) percent reduction in wage and salary compensation to those making over $61,006 retroactive to July 1, 2015; and includes a $1 million buffer to support the financial health of the District because of the negative $11 million cash balance.
        - Eliminate sick bank contributions from the School Corporation for an approximate savings of $87,000.
        - The District will contribute a fixed total toward employee insurance premiums, which is equal to approximately 68% to the health insurance option.
        - The District will contribute all but one dollar ($1.00) per employee up to a total of $34,000 for all employees of towards the premiums for long-term disability insurance for teachers.
        - The District will contribute $291.68 per employee toward the annual premium for dental insurance.
        - The District will contribute $98.00 per employee toward the annual premium for vision insurance.
        - Eliminate additional assignment(s) pay for an approximate savings of $462,619.
        - Limit new staff to five years of experience unless otherwise approved by administration for a projected savings of $120,000 annually.
        - Eliminate the professional development stipend for an approximate cost savings of $61,200.
        - Eliminate longevity pay for an approximate cost savings of $109,000.
        - Eliminate retiree benefits.

    - **2016-2017:**
        - If the District made no changes to the current salary structure, the cost of the 2016-2017 contract would be approximately $29 million. Since the District only has approximately $23 million to fund the contract, this would result in approximately $6 million in deficit financing.
        - The District's Last Best Offer is a twenty-eight (28) percent cut comprised of a 20 percent reduction in wage and salary compensation retroactive to July 1, 2016 and cancellation of the two final pays – August 5th and

August 20th - in the 2016-2017 contract. [1]The approximate savings from the proposed cut is $4,500,000 compared to teacher wage and salary costs in the 2014-2015 contract. The remaining $1.5 million in savings comes from the following:

- The District will contribute a fixed total toward employee insurance premiums, which is equal to approximately 68% to the health insurance option.
- Eliminations in the 2015-2016 proposal:
  - sick bank contributions from District
  - eliminates additional assignment(s) pay
  - eliminates the professional development stipend
  - eliminates longevity pay
  - eliminates retiree benefits
- The District will contribute all but one dollar ($1.00) per employee up to a total of $34,000 for all employees of towards the premiums for long-term disability insurance for teachers.
- The District will contribute $291.68 per employee toward the annual premium for dental insurance.
- The District will contribute $98.00 per employee toward the annual premium for vision insurance.
- Limit new staff to five years of experience unless otherwise approved by administration

- The lowest paid teachers making under $37,000 will be given a one-time salary raise to $37,000. The cost of the salary increase is approximately $219,000.

2. Public Interest

The District's LBOs are in the public's best interest for several reasons:

There is a public interest in being able to afford the proposed collective bargaining agreement. The operating budget must be able to survive in the face of cash flow shortages, expenses, or other losses. To date, the operating budget is running on a $11 million deficit – and counting. Even worse, the District's cash reserves – which were previously able to cover for income shortfalls - has been depleted and will likely run out no later than the fall of 2017. The

[1] Due to the school calendar year starting in early August, the District's method of salary payments under past contracts has raised concerns with the Indiana Wage Payment Law. All teachers are paid on the basis of 24 equal pays - on the 5th and 20th of each month - based on the contract start date in September. Although teachers receive payments in August and September under the previous year's contract, the following year's contract start date in September places the District in potential noncompliance with the law if there is no agreement with the Association– creating potential unfunded liability against the District.

In order to ensure compliance with Wage Payment Law, the District must change the contract start date for the 2017-2018 from September to August. The District proposes to waive the August 20th and September 5th payments from the 2016-2017 contract, which will save the District approximately $2 million. The August 20th and September 5th payments will then be paid under the 2017-2018 contract. This will prevent the teachers from experiencing any break in pay.

District must find a way to either replace the income or reduce expenses in the near-term future. See I.C. 20-29-2-6; 20-29-8-7(f).

There is a public interest in ensuring the District's long term financial health. The proposed level of cuts is directly related to the projected amount of cash on hand in the General Fund, which is projected to run out no later than early fall of 2017. Since personnel-related expenses constitute more than 76% of the District's costs, the District's financial problems cannot be corrected without impacting personnel.

3. Fiscal Rationale/Financial Implication

The District attests both the 2015-2016 and the 2016-2017 LBOs will not place the District in deficit financing as defined by I.C. 20-29, both over the term of the contract and in the future. I.C. 20-29-6-3 requires the Fact Finder to examine the LBO's financial impact on the District both over the term of the contract and in the future. *See Carmel*, F-13-01-3945, at 12-13 (IEERB Bd. 2013). To ignore the financial implications beyond July 1, 2017 would result in a CBA that the school could not afford – due to the lack of a cash reserve and the anticipated expenses in the fall of 2017. Such a result would be contrary to the intent of the statue, which is to ensure that Districts can afford their CBA. See, e.g., I.C. 20-29-2-2; 20-29-6-3; 20-29-6-15.1; 20-29-6-16; 20-29-6-18; 20-29-8-7(f); 20-29-8-8. Making financial cuts now, the District will be able to conduct the building projects required by its General Obligation Bond and repay its outstanding Tax Anticipation Warrant. Without these cuts, there simply will not be enough cash on hand to meet all the District's obligations in the fall of 2017.

4. Summary of Teacher Salary, Wages, and Benefit Amounts

Adjusted Compensation: $11,963,805 (GF only)
Adjusted Benefits: $2,785,926

See Ex. 3C.

5. Summary of Any Current Non-Bargained Teacher Salary Increases

N/A

6. Summary and Explanation of Proposed Teacher Salary, Wages, and Benefit Amounts, including any Non-bargained Increases

If the District made no changes to the current salary structure, the cost of the 2016-2017 contract would be approximately $29 million. Since the District only has approximately $23 million to fund the contract, this would result in approximately $6 million in deficit financing. The District's LBO proposal costs approximately $22,087,624 comprised of a 20 percent cut to teacher wages, reduction in the District's contributions to medical insurance premiums for a cost, and the cancellation of the final pays in the 2016-2017 contract, including a $1 million buffer to support the financial health of the District.

For new faculty hired after September 1, 2016, faculty will be offered a competitive salary commensurate with the needs of the school corporation and the qualifications of the candidates. Teachers (not including instructors) above the minimum salaries in their range will be required to take a 20% pay cut unless they took a reduction in salary in 2015-2016.

Salary placement will be made according to the following ranges: See Ex. 3C

Salary placement will be made according to the following ranges:

Less than a BS	$32,500 to $42,008
BS-0 to BS-10	$37,000 to $45,840
BS-11 to BS-20	$40,256 to $50,580
BS+15-0 to BS+15-10	$37,703 to $47,738
BS+15-11 to BS+15-20+	$42,201 to $53,585
MS-0 to MS-20	$39,199 to $61,529
MS+15-0 MS+15-20	$40,436 to $62,762
MS+30-0 TO MS+30-20	$41,667 to $63,111
Ed.S	$60,203
Doctorate	$64,119

7. Summary and Explanation of Changes Between FY 2016 GF Revenues and expenditures and Estimated FY 2017 GF Revenues and Expenditures

FY 2016:

Revenue: $43,295,626
Expenditures: $45,202,628 (Ex. 7A)

FY 2017:

Revenue: $42,478,128
Expenditures: $44,232,925 (Ex. 11A; 11B)

Expenditures	Revenue
• General Obligation Bond (See 10 (e) below) • Transfer Tuition Funds (See 10(f) below) • Tax Anticipation Warrant (See 10(g) below)	• Decrease in ADM (See Ex. 12A) • Property Tax Caps (See 10(b) below) • Tax Anticipation Warrant (See 10(g) below)

8. Explanation of Percentage of LBO Cost to GF Revenue, Including Reason(s) for any Change(s) from Prior Year(s)

Percentage of 2015-2016 LBO compared to GF Revenue = 57%
Percentage of 2016-2017 LBO compared to GF Revenue = 52%
(2014-2015 status quo contract) CBA costs compared to GF Revenue = 71.2%

If the District made no changes to the current salary structure, the cost of the 2015-2016 contract would be approximately $30 million. Since the District only has approximately $26 million to fund the contract, this would result in approximately $4 million in deficit financing.
Similarly, If the District made no changes to the current salary structure, the cost of the 2016-2017 contract would be approximately $29 million. Since the District only has approximately $23 million to fund the contract, this would result in approximately $6 million in deficit financing. The approximate savings from the 2016-2017 proposed LBO compared to the 2014-2015 contract is approximately $6 million.

9. Explanation of ADM Projections

As Delaware County's population decreases, the District's enrollment decreases as well. Since 2013, the District has experienced a reduced ADM count of approximately 680 students with a loss of approximately $6,761.24 per reduced enrollment. The District is projected to see an additional enrollment decline of more than 770 (based on ADM projections) by 2020.

See Ex. 12A

10. Description of Changes, Trends, or Unique Features of District/Budget Relevant to the Fiscal Rational/Financial Implication of the LBO

The following assumptions and facts materially affect the 2016-2017 revenue and expenditures:

a. Poor accounting practices: Like many budget shortfalls, the District's financial situation has been exacerbated by the human tendency to "kick the can down the road" rather than making the difficult and sometimes painful decisions necessary to maintain the District's financial health. In the General Fund, from which most teacher salaries and benefits are paid, the District has spent $24,768,879.75 more than it has received in since 2007. For the past decade, the operating budget has survived on fund transfers and delayed payments. This worked as long as there were cash balances, but now the District has essentially depleted all its accounts. The balance in the General Fund as of December 31, 2016 was a negative $11,166,679.00. Even this number does not fully reveal the District's financial problems as it does not account for the millions of debt accrued over the years. The level of cuts proposed in this LBO is directly related to the projected amount of cash on hand in the General Fund which is currently $353,038.25 and is projected to run out within this calendar year.

b. The Property Tax Cap or Circuit Breaker and lower property values in Center Township: Due to the tax caps that were put in place in 2009, the District has lost more than $52,912,800.14 in revenue since 2009. In 2016 alone, the District saw tax caps cut $7,263,311 from its budget.

c. Amount of non-taxable property in Center Township: Due to the large amount of non-profit or governmental property in Center Township, such as IU/Ball Hospital, Ball State University, etc., the District only has access to approximately, 50% of the property tax it could potentially receive.

d. Tax Incremental Financing (TIF) Districts: While a valuable tool for municipal governments to finance capital projects, local TIF districts reduce the District's funding each year.

e. General Obligation Bond: The General Obligation Bond was issued in 2014 with a debt limit of $10,708,717.00. The total debt limit must be spent no later than April 2019, to avoid tax penalties. To accomplish this in a practical manner, the District must spend approximately $5,500,000.00 in the summer of 2017 and approximately $5,500,000 in the summer of 2018. To accomplish this, the District must save approximately $3,000,000 in cash reserves from February 2017 through June 2017 and continue to save approximately $600,000 to $500,000 monthly through the spring of 2018. Without these necessary savings, the District will not meet its obligations – resulting in a decreased bond rating and an increase in taxes - and will continue to neglect longer overdue and necessary maintenance to the school facilities. (See Ex. 10C).

f. Transfer Tuition Funds: During December 2016 a transfer in the amount of $10,267,875.33 was made on Muncie Community School's books to reflect interfund payments of Special Education, Special Education Preschool, Priority School, Vocational Education, and YOC expenses. Since all of the aforementioned funds reside on the books of Muncie Community Schools, this transfer in no way affected the cash available to the District. For years, the Special Education Funds were improperly recorded in the General Fund as a mechanism to make the General Fund appear more solvent than it was. By properly making the book transfer of funds from the General Fund to the Special Education Funds, the District could accurately reflect the health of the General Fund which was an approximate negative balance of $11 million. (See Ex. 10B).

g. Tax Anticipation Warrants: For at least eight consecutive years, the District has received a tax anticipation loan in the amount up to $10,000,000.00 due to the deficit in cash reserves. In 2016, The District borrowed $5,500,000 on January 4 and another $4,500,000 on May 3 for a total of $10,000,000. The $10,000,000 plus interest of $127,236.10 was paid on December 30, 2016. On January 3, 2017, the District could only borrow $7,680,000 instead of $10,000,000 due to its cash flow forecasts. This resulted in approximately $2,300,000 decrease in funds for the District in 2016-2017. (See Ex. 10A).

11. Changes From The 2014-2015 CBA & Explanation[2]

Modified Language for 2015-2016	Modified Language for 2016-17
Introduction **Removed** "Alternative placement of deleted language shall be subject to formal discussion within fifteen (15) school days after such deletion occurs"	**Introduction** **Removed** "Alternative placement of deleted language shall be subject to formal discussion within fifteen (15) school days after such deletion occurs"
Article I: Recognition of the Association **Removed**: So long as the Association is the exclusive bargaining representative for the bargaining unit described in Paragraph A above, the Board agrees to negotiate only with the Association.	**Article I: Recognition of the Association** **Removed**: So long as the Association is the exclusive bargaining representative for the bargaining unit described in Paragraph A above, the Board agrees to negotiate only with the Association.
Article II: Definitions **Removed** all definitions that pertained to the Baric Model pursuant to the parties agreement. *See* Ex. 1E "MOU" **Removed** holiday definitions.	**Article II: Definitions** **Removed** all definitions that pertained to the Baric Model pursuant to the parties agreement. *See* Ex. 1E "MOU" **Removed** holiday definitions.
Article III: Association Days Reduced the President's leave days from 55 to 15 **Included** notification requirement	**Article III: Association Days** Reduced the President's leave days from 55 to 15 **Included** notification requirement
Article IV: Payroll Deduction – removed	**Article IV: Payroll Deduction – removed**
Article V: Teaching Days and Hours – removed	**Article V: Teaching Days and Hours – removed**
Article VI: Leaves Requiring Board Action – removed	**Article VI: Leaves Requiring Board Action – removed**
Article VII: Leaves Requiring Administrative Action (A) Personal Sick Leave – replaced ~~at or after the start of the second semester ½ days~~ with "after the beginning of the school year" **replaced** ~~a number equal to the number of teacher contracted days~~ with "a total of 185 days" **replaced** ~~ten (10)~~ consecutive work days with "three (3)" **added**: any teacher who is absent on the day before or after a break may be asked for a similar physician's statement.	**Article VII: Leaves Requiring Administrative Action** (A) Personal Sick Leave – replaced ~~at or after the start of the second semester ½ days~~ with "after the beginning of the school year" **replaced** ~~a number equal to the number of teacher contracted days~~ with "a total of 185 days" **replaced** ~~ten (10)~~ consecutive work days with "three (3)" **added**: any teacher who is absent on the day before or after a break may be asked for a similar physician's statement.
(B) Public Service Leave replaced ~~accumulative sick~~ with personal **replaced** ~~at or after the start of the second semester (½ days)~~ with after the start of the school year	(B) Public Service Leave replaced ~~accumulative sick~~ with personal **replaced** ~~at or after the start of the second semester (½ days)~~ with after the start of the school year

[2] The highlighted (yellow) language represents changes from the 2015-2016 proposed contract to the 2016-2017 proposed contract.

(C) Personal Business Leave **removed** ~~second semester (1/2 days)~~ with "school year" **Added** "The personal day may not be used before or after a vacation or holiday without the Superintendent's prior approval" (D) Bereavement Leave Added "up to 5" (E) Court Leave – no change (F) Jury Duty – no change (G) Military Duty – no change (H) General Provisions – no change **Article VIII: Sick Leave Bank** **removed** ~~opening of school~~ with "first teacher day" **removed** ~~This waiting period will apply only if the applicant had less than fifty (50) accumulated sick days in the school year when application is made. Available personal business leave days may be used for any or part of the waiting period.~~ **Added** "The maximum number of days that may be granted to a teacher over a three (3)-year period is ninety (90) days." **removed** sick bank contributions (saves $87k) **Article IX: Professional Compensation** No increases to compensation are to be given in this contract. Teachers (not including instructors) making between $36,005 and $61,006 will be required to take a ten (10) percent reduction in wages and salary compensation. Teachers (not including instructors) making over $61,006 will be required to take a twelve and one half (12.5) percent reduction in wage and salary compensation. The reduction will be retroactive to July 1, 2015. The extracurricular pay scale is based upon a base salary of $34,659 **Removed** adjustments to salary based on additional training **amended**: The minimum amount of service to be counted as one (1) year of creditable experience shall be the equivalent of one hundred and twenty days (120) days ~~acquired~~ ***worked*** during the regular school term. **Amended**: A half-year shall be credited for service equivalent to sixty (60) days or more, but less than one	(C) Personal Business Leave **removed** ~~second semester (1/2 days)~~ with "school year" **Added** "The personal day may not be used before or after a vacation or holiday without the Superintendent's prior approval" (D) Bereavement Leave Added "up to 5" (E) Court Leave – no change (F) Jury Duty – no change (G) Military Duty – no change (H) General Provisions – no change **Article VIII: Sick Leave Bank** **removed** ~~opening of school~~ with "first teacher day" **removed** ~~This waiting period will apply only if the applicant had less than fifty (50) accumulated sick days in the school year when application is made. Available personal business leave days may be used for any or part of the waiting period.~~ **Added** "The maximum number of days that may be granted to a teacher over a three (3)-year period is ninety (90) days." **removed** sick bank contributions (saves $87k) **Article IX: Professional Compensation** For new faculty hired after September 1, 2016, faculty will be offered a competitive salary commensurate with the needs of the school corporation and the qualifications of the candidates. Teachers (not including instructors) above the minimum salaries in their range will be required to take a 20% pay cut unless they took a reduction in salary in 2015-2016. **Added**: The teacher compensation for the 2016-2017 contract will be paid in 22 pays beginning September 20, 2016 and ending on August 5, 2017. This includes the cancellation of the final two (2) payments – August 5th and 20th -in the 2016-2017 contract. **Added**: Coaching stipends will be paid in two increments on at the payroll occurring after the halfway through the season and the second on the payroll after the completion of the season. The extracurricular pay scale is based upon a base salary of $34,659 **Removed** adjustments to salary based on additional training

hundred and twenty (120) days ~~acquired~~ ***worked*** during the regular school year. A teacher may not be credited with more training or Experience Credit or be paid more than what is authorized for five years of experience unless the superintendent unilaterally agrees to such a placement. A teacher of Summer School or Evening School shall be issued a Supplemental Services Teacher Contract as determined by the superintendent. A teacher contracted to start after the first day of school shall be paid at a prorated rate. A teacher who terminates employment prior to the last day of school shall be paid consistent with applicable law. **Article X: Fringe Benefits** 2014-2015 language eliminated except for the following: An Insurance Advisory Board is established to review all transactions related to the Muncie Community Schools self-funded health insurance program. The Advisory Board is composed of two (2) representatives chosen by the Board and two (2) representatives chosen by the Association, and two members select from among non-bargained staff. The members of the Advisory Board shall receive monthly summaries from the Business Office concerning the health insurance program. The members of the Advisory Board shall have direct access to all documents dealing with the self-funded health insurance program. The Advisory Board shall submit a written report to the Board of School Trustees quarterly concerning the status of the self-funded health insurance program. Quarters shall be based on the health insurance anniversary date. Board agrees to contribute the following amounts annually toward teacher health insurance premium: • Single $4780 • Member +1 $11,000 • Family $14,000 The Board shall provide teachers a group life insurance plan which shall pay the teacher's designated beneficiary the sum sixty thousand dollars ($60,000). In the event of an accidental death, a sum of not less than two (2) times the amount shall be paid. The Board shall pay full cost of the premium for those teachers who choose to participate except that each participant shall pay one dollar ($1.00). The liability insurance protection provided by the Board	**amended**: The minimum amount of service to be counted as one (1) year of creditable experience shall be the equivalent of one hundred and twenty days (120) days ~~acquired~~ ***worked*** during the regular school term. **Amended**: A half-year shall be credited for service equivalent to sixty (60) days or more, but less than one hundred and twenty (120) days ~~acquired~~ ***worked*** during the regular school year. A teacher may not be credited with more training or Experience Credit or be paid more than what is authorized for five years of experience unless the superintendent unilaterally agrees to such a placement. A teacher of Summer School or Evening School shall be issued a Supplemental Services Teacher Contract as determined by the superintendent. A teacher contracted to start after the first day of school shall be paid at a prorated rate. A teacher who terminates employment prior to the last day of school shall be paid consistent with applicable law. **Article X: Fringe Benefits** 2014-2015 language eliminated except for the following: An Insurance Advisory Board is established to review all transactions related to the Muncie Community Schools self-funded health insurance program. The Advisory Board is composed of two (2) representatives chosen by the Board and two (2) representatives chosen by the Association, and two members select from among non-bargained staff. The members of the Advisory Board shall receive monthly summaries from the Business Office concerning the health insurance program. The members of the Advisory Board shall have direct access to all documents dealing with the self-funded health insurance program. The Advisory Board shall submit a written report to the Board of School Trustees quarterly concerning the status of the self-funded health insurance program. Quarters shall be based on the health insurance anniversary date. Board agrees to contribute the following amounts annually toward teacher health insurance premium: • Single $4780 • Member +1 $11,000 • Family $14,000 The Board shall provide teachers a group life insurance plan which shall pay the teacher's designated beneficiary the sum sixty thousand dollars ($60,000). In the event of an accidental death, a sum of not less than

as set forth in Appendix F including coverage for a teacher who is authorized to transport students in a teacher's personal automobile shall remain in force for the duration of this Contract. The Board shall provide Workmen's Compensation insurance to all teachers of the Muncie Community Schools. In case of any qualified injury arising out of or in the course of employment when a teacher is on official school assignment causing the teacher to be physically unable to work, the Board shall continue to pay the teacher's salary, in full, for a period of sixty (60) working days without loss of sick leave. The lost time benefits received by the teacher from Worker's Compensation insurance shall be returned to the Muncie Community Schools. The injured teacher shall be responsible for immediately reporting the injury to the building administrator's office and completing the required insurance report. The teacher shall suffer no loss of compensation or benefit as a result of a Worker's Compensation injury. The surviving spouse and/or dependents of a teacher may retain membership in the current group insurance plans by personally prepaying the entire premium in either annual or semi-annual installments. Participation by an employee in current group fringe benefits insurance is contingent upon acceptance by the insurance companies involved. The Board's share of fringe benefits for teachers who are on a one-half teaching contract will be at 50% of the Board's share for full-time teachers. The benefits provided to employees by Section 125 of the Revenue Act of 1978 as amended shall be made available to any bargaining unit member so requesting. The Board shall provide funding towards the <u>following additional insurance coverages</u>: The Board shall contribute all but one dollar ($1.00) up to $34,000 of towards the premiums for long-term disability insurance for teachers. Dental Insurance. The Board .shall contribute up to $50,000 toward dental insurance for staff members. The Board shall contribute ninety-eight dollars ($98.00) annually toward the premium for the Optical Care per employee In addition, a teacher shall have available dental and optical insurance as described in the above appendices for their dependents. The cost of premiums for these	two (2) times the amount shall be paid. The Board shall pay full cost of the premium for those teachers who choose to participate except that each participant shall pay one dollar ($1.00). The liability insurance protection provided by the Board as set forth in Appendix F including coverage for a teacher who is authorized to transport students in a teacher's personal automobile shall remain in force for the duration of this Contract. The Board shall provide Workmen's Compensation insurance to all teachers of the Muncie Community Schools. In case of any qualified injury arising out of or in the course of employment when a teacher is on official school assignment causing the teacher to be physically unable to work, the Board shall continue to pay the teacher's salary, in full, for a period of sixty (60) working days without loss of sick leave. The lost time benefits received by the teacher from Worker's Compensation insurance shall be returned to the Muncie Community Schools. The injured teacher shall be responsible for immediately reporting the injury to the building administrator's office and completing the required insurance report. The teacher shall suffer no loss of compensation or benefit as a result of a Worker's Compensation injury. The surviving spouse and/or dependents of a teacher may retain membership in the current group insurance plans by personally prepaying the entire premium in either annual or semi-annual installments. Participation by an employee in current group fringe benefits insurance is contingent upon acceptance by the insurance companies involved. The Board's share of fringe benefits for teachers who are on a one-half teaching contract will be at 50% of the Board's share for full-time teachers. The benefits provided to employees by Section 125 of the Revenue Act of 1978 as amended shall be made available to any bargaining unit member so requesting. The Board shall provide funding towards the <u>following additional insurance coverages</u>: The Board shall contribute all but one dollar ($1.00) up to $34,000 of towards the premiums for long-term disability insurance for teachers. Dental Insurance. The Board .shall contribute up to $50,000 toward dental insurance for staff members. The Board shall contribute ninety-eight dollars ($98.00)

additional coverages shall be paid by the teacher. Each teacher will have available additional life insurance beyond the benefits extended by the Board. The cost of premiums for this additional coverage shall be paid by the teacher. **Article XI: Longevity Pay** 2014-2015 language eliminated except for the following: A minimum of ten (10) years of experience will be required with MCS to be eligible for longevity benefits. A maximum of four (4) years of military service will be credited as years of experience credit. A teacher shall receive the following longevity benefits: • Unused Sick Leave: An employee will receive sixty-five ($65.00) dollars per day for unused accumulative sick leave upon retirement. If a teacher owes a debt to the Sick Leave Bank, days owed shall be deducted before computation of longevity pay. This provision shall not apply to any teacher receiving benefits from the Sick Leave Bank prior to January 1, 1989. Any former employee returning to the Muncie Community Schools employment after having received longevity benefits for previous services shall not be entitled to additional longevity pay based on this prior service for which longevity pay has already been paid. Teachers resigning and converting this accumulated sick leave to longevity pay shall not have their accumulated sick leave restored upon returning to the Muncie Community Schools employment nor shall their accumulated sick leave be certified to another district. If a teacher who qualifies for longevity benefits, as set forth in this Article should die, the balance of their longevity benefits, if any, to which such teacher would have been entitled, shall be paid directly to the teacher's beneficiary as designated by the teacher in writing and on file in the Business Office. Absent such designation, the longevity pay will be paid to the estate of the deceased teacher. The maximum number of sick days a teacher may carryover from one school year to the next is one hundred eighty five (185). A teacher who ends a school year with more than 185 sick days will be paid sixty-five ($65.00) dollars per day for each day above 185. Such payment will be received prior to the beginning of the following school year. Upon retirement or resignation, the teacher will receive payment for the remaining unused sick days	annually toward the premium for the Optical Care per employee In addition, a teacher shall have available dental and optical insurance as described in the above appendices for their dependents. The cost of premiums for these additional coverages shall be paid by the teacher. Each teacher will have available additional life insurance beyond the benefits extended by the Board. The cost of premiums for this additional coverage shall be paid by the teacher. Reduce life insurance pay to $50,000. **Article XI: Longevity Pay** 2014-2015 language eliminated except for the following: A minimum of ten (10) years of experience will be required with MCS to be eligible for longevity benefits. A maximum of four (4) years of military service will be credited as years of experience credit. A teacher shall receive the following longevity benefits: • Unused Sick Leave: An employee will receive sixty-five ($65.00) dollars per day for unused accumulative sick leave upon retirement. If a teacher owes a debt to the Sick Leave Bank, days owed shall be deducted before computation of longevity pay. This provision shall not apply to any teacher receiving benefits from the Sick Leave Bank prior to January 1, 1989. Any former employee returning to the Muncie Community Schools employment after having received longevity benefits for previous services shall not be entitled to additional longevity pay based on this prior service for which longevity pay has already been paid. Teachers resigning and converting this accumulated sick leave to longevity pay shall not have their accumulated sick leave restored upon returning to the Muncie Community Schools employment nor shall their accumulated sick leave be certified to another district. If a teacher who qualifies for longevity benefits, as set forth in this Article should die, the balance of their longevity benefits, if any, to which such teacher would have been entitled, shall be paid directly to the teacher's beneficiary as designated by the teacher in writing and on file in the Business Office. Absent such designation, the longevity pay will be paid to the estate of the deceased teacher.

at the rate of sixty-five ($65.00) dollars per day which shall be made in one (1) final payment. The teacher will have the option of receiving this payment through payroll, sent directly to a tax deferred account or any combination of the two to the extent allowed by the Internal Revenue Service limits and reporting requirements. **Article XII: Early Retirement – removed** **Article XIII: Professional Grievance Procedure** The following language from 2014-2015 was removed: An allegation by the Association that there has been a violation of an Association right may be processed as a grievance by the President of the Association or designee. Such grievance shall be filed in writing directly to the Superintendent or designee and the processing of such grievance shall commence at Step Two. Step 4 Notwithstanding the expiration of the Contract, any claim or grievance arising thereunder may be processed through the grievance procedure until resolution. The fact that a teacher filed a grievance or complaint will not be used as criteria in an evaluation of the teacher ~~nor shall such findings act to prevent the teacher from being considered for assignment, transfer, or promotion.~~	The maximum number of sick days a teacher may carryover from one school year to the next is one hundred eighty five (185). A teacher who ends a school year with more than 185 sick days will be paid sixty-five ($65.00) dollars per day for each day above 185. Such payment will be received prior to the beginning of the following school year. Upon retirement or resignation, the teacher will receive payment for the remaining unused sick days at the rate of sixty-five ($65.00) dollars per day which shall be made in one (1) final payment. The teacher will have the option of receiving this payment through payroll, sent directly to a tax deferred account or any combination of the two to the extent allowed by the Internal Revenue Service limits and reporting requirements. **Article XII: Early Retirement – removed** **Article XIII: Professional Grievance Procedure** The following language from 2014-2015 was removed: An allegation by the Association that there has been a violation of an Association right may be processed as a grievance by the President of the Association or designee. Such grievance shall be filed in writing directly to the Superintendent or designee and the processing of such grievance shall commence at Step Two. Step 4 Notwithstanding the expiration of the Contract, any claim or grievance arising thereunder may be processed through the grievance procedure until resolution. The fact that a teacher filed a grievance or complaint will not be used as criteria in an evaluation of the teacher ~~nor shall such findings act to prevent the teacher from being considered for assignment, transfer, or promotion.~~

12. Salary, Wages, and Benefits of Comparable Work & Explanation of Similarities/Differences between LBO and Comparables

Comparative Teacher Salaries 2014-2015

School Corporation	Beginning (Full time)	Highest Salary
Cowan	$33,500	$57,212
Daleville	$31,528.35	$54,359.55
Delaware Community	$35,663	$64,812
Kokomo	$34,000	$61,762
Liberty-Perry	$34,385	$63,000
Marion	$34,113.29	$63,849.29
MCS	**$34,659**	**$68,024**
Richmond	$35,803	$68,559
Wes-Del	$33,191	$58,117
Yorktown	$33,912.29	$58,996.44

Comparative Teacher Salaries 2015-2016

School Corporation	Beginning (Full time)	Highest Salary
Anderson	$49,941 (Median)	
Cowan	$34,000	$57,646
Daleville	$31,528.35	$54,359.55
Delaware Community	$35,663	$59,588
Kokomo	$34,000	$60,762
Liberty-Perry	$34,385	$62,546
Marion	$34,113.29	$63,849.29
MCS Proposed	***$34,659***	***$60,201***
Richmond	$35,803	$68,559
Wes-Del	$33,191	$58,117
Yorktown	$33,912.29	$58,996.44

Comparative Teacher Salaries 2016-2017

School Corporation	Beginning (Full time)	Highest Salary
Blackford	$34,349	$61,457.45
Cowan	$35,000	$58,993
Daleville	$34,028	$56,860
DelawareComm.	$35,663	$60,372
Kokomo	$34,000	$61,762
Liberty-Perry	$34,385.90	$63,754
Marion	$35,000	$64,749
MCS Proposed	***$37,000***	***$64,119***
Richmond	$35,803	$52,181
Wes-Del	$33,689	$59,989
Yorktown	$35,688	$60,847

Comparative Health Insurance Costs

In comparing the District's and six local or comparative school corporations, the average individual teacher paid $2333 for a single plan while the corporation paid $5715. Family insurance cost the average employee $4,616 and the corporation paid $12,426. Historically, the District teachers have paid significantly less than comparable school corporations while District administrators have generally paid more. (See Ex. 9A).

Bargaining Unit	Average		MCS	
Individual Insurance	8616		10557	
Employee Cost	2333	27%	354	3%
Corporation Cost	5715	66%	10203	97%
Family Insurance	18311		26542	
Employee Cost	4616	25%	3987	15%
Corporation Cost	12426	68%	22555	85%

Currently, the District offers one insurance plan available to both the non-bargained staff and the bargaining unit. Non-bargained staff make only 55% of what the average bargaining unit teacher makes. As such, the District requires non-bargained staff pay 55% of what the District proposes that bargaining unit members pay.