EMPLOYEE RELATIONS & NEGOTIATIONS NETWORK

Negotiating ESSB 5940

WASA/AWSP Conference

June 26, 2012 Spokane, Wa

ERNN

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Sample questions being asked during negotiations:

(1)When must school districts comply with the provision of ESSB 5940?

(2)Must districts be in compliance by September 2012 or at some later, more reasonable date?

Sample questions being asked during negotiations:

(3) If a school district has a locked down 2 or 3 year collective bargaining agreement must they reopen the agreement this spring or summer to comply with ESSB 5940?

(4) What does "make progress" toward 3:1 ratio mean? How will it be measured and by whom?

Sample questions being asked during negotiations:

(5) How will the term "richer" be interpreted and by whom?

(6) Does "...must pay a minimum premium..." mean only a % figure or can the parties negotiate a flat dollar amount?

From The Governor:

Legislative goals:

Retain collective bargaining.

From The Governor:

Employees

- *Each employee pays a minimum premium charge.*
- *Employee premiums are structured to ensure that employees who select richer benefit plans pay the higher premium.*

From The Governor:

School district and health plan providers

- *Must offer a plan with high deductible and health savings account and a plan with full-time premium the same as that for state employees.*
- *Must make progress toward more affordable full family insurance coverage; ratio of 3:1.*

Key Q & As From OSPI

1) If a district's existing collective bargaining agreements with teachers and other staff are "open" this summer and a new contract is being negotiated for the 2012-13 school year, should the district take ESSB 5940 into account in the new contract?

Yes. *Any district and employee association negotiating a new contract must ensure that the new contracts complies with the requirements of ESSB 5940.*

Key Q & As From OSPI

2) If the district's collective bargaining agreement doesn't expire this summer? Does the district have to implement ESSB 5940?

Maybe. *Many collective bargaining agreements contain "reopener clauses" that require the contract to be reopened and re-negotiated in the event there are changes to state law related to health benefits or other matters.*

Key Q & As From OSPI (#2 Cont.)

Districts and local bargaining units *<u>may consider signing a memorandum of understanding</u>* *rather than reopening the contract where appropriate.*

ERNN's MoU Draft

Key Q & As From OSPI (#2 Cont.)

If a district is a party to an existing "closed" collective bargaining agreement that has no reopener clause allowing the contract to be reopened before the 2012-13 school year, **the district must comply with ESSB 5940 when the contract is next opened.**

Key Q & As From OSPI (#2 Cont.)

Where there appears to be a conflict between ESSB 5940 and a closed collective bargaining agreement, district should possibly temporarily delay the implementation of ESSB 5940 until the contract is reopened.

Key Q & As From OSPI (#2 Cont.)

Implementation of ESSB 5940 may be delayed when there is a conflict between ESSB 5940 and an existing provision of a collective bargaining.

Key Q & As From OSPI (Cont.)

- **Review RCW 28A.400.275(1),**
- **(*1) "Any contract for employee benefits executed after April 13, 1990, between a school district and a benefit provider or employee bargaining unit is null and void unless it contains an agreement to abide by state laws relating to school district employee benefits. The term of the contract may not exceed one year."***

Which could be interpreted as requiring districts to annually reopen collective bargaining agreements to renegotiate school employee health benefits.

Key OSPI Q&As

3)The Act requires that each employee who elects medical benefit coverage pays a minimum premium charge?

The bill does not define "minimum", this will be up to each district and their collective bargaining agreements. However, given the 3 to 1 requirement, districts need to consider what "minimum" should be in light of the 3 to 1.

Key OSPI Q&As

4) The Act requires higher payroll deductions for richer benefit plans. How is "richer" defined?

Richer is relative to the value and cost of benefits being offered. More covered services and lower out-of-pocket costs (like copays and deductibles) leads to richer benefits.

Key OSPI Q&As

5) Some small bargaining groups have bargained health insurance at no cost to the employee. Was the intent to apply premiums to these groups that are not paying any?

This act requires employees included in pooling to pay something.

Key OSPI Q&As

6) How does the minimum premiums requirement and the 3 to 1 ratio for premiums affect individuals who receive benefit allocations that are higher than the state allocation? (i.e. administrators who have contracts that include full coverage for their family.)

The three to one ratio is intended to be a composite rate among all employees in the district. Administrators would be included in that composite rate calculation. All district employees included in pooling will be required to pay a minimum premium. (A composite rate is a weighted average based on all plans options and

Key OSPI Q&As

7) Does the new pooling language allow for separate pooling for each different bargaining group as we have it now or does it require us to pool all dollars into one pooling group?

The bill did not include any changes to the pooling language in statute, so school districts may choose how to use their pools or how to combine them.

ERNN's Position:

<u>A bargaining position for ESSB 5940</u>

In response to SB 5940, K-12 Health Benefits, the District reserves the right to enter into negotiations concerning appropriate K-12 Health Benefits once guidelines and directions are provided by RCW's, WAC's, OIC and OSPI.

ERNN's Position: MoU

This Memorandum of Understanding is entered into by the ______________ School District and the ____________ Education Association to clarify the intent for the 2012-2013 School year regarding Health Benefits changes in response to SB 5940.

ERNN’s Position: MoU (cont.)

It is agreed that the District will work jointly with the Association and the Office of the Insurance Commissioner (OIC) to determine reporting requirements which **MAY*** include the following: (“May” is dependent on final RCW, WAC, OIC and OSPI guidelines).

ERNN's Position: MoU (cont.)

Require Each employee included in the pooling arrangement to pay a premium subject to collective bargaining.

ERNN’s Position: MoU (cont.)

Make progress toward employee premium changes as required by statute that would ensure that full family coverage premiums are not more than three times the employee only premium for the same plan.

ERNN's Position: MoU (cont.)

Offer at least one medical plan other than the new high deductible plan.in which the full time employee's share of premiums is no higher than what state employees pay for coverage, as established in the most recent state benefit plan year.

ERNN's Position: MoU (cont.)

Timelines for implementation-currently defined as:

December 1, 2013 for reporting progress,

June 1, 2015 for reporting progress towards 3:1 ratio,

with full implementation/recommendation being **December 31, 2015**.

ERNN's Position: MoU (cont.)

All new provisions for the implementation of health care will be agreed upon prior to its implementation.

Either party may open this section for bargaining as information becomes available.