Written by BILL SCHANEN IV
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Promising budget gives PW-S District room to negotiate pay under new law

A Port Washington-Saukville School District that has slashed employee benefit costs by hundreds of thousands of dollars is poised now to focus on negotiating employee wages.

Although the School Board and Port Washington-Saukville Education Association have yet to open negotiations because of confusion about the state law regulating public employee compensation, the proposed 2012-13 budget can accommodate pay increases, Supt. Michael Weber said. The board will also have to negotiate wages with the union representing secretaries and paraprofessionals.

“We have a group of teachers stuck at step one that we need to move off there. They need to see an increase,” Weber said. “We want to continue to attract and retain strong teachers because that’s what makes the difference in the classroom.”

The current starting salary for teachers is $36,877, Weber said.

A hearing on the proposed budget will be held at 5:30 p.m. Monday, June 11, at the District Office, 100 W. Monroe St., Port Washington.

Act 10, the controversial state law that prompted Tuesday’s failed recall of Gov. Scott Walker, stripped public employees of the right to negotiate benefits but permits them to bargain for wages. Wage increases, however, are capped at an amount not to exceed the consumer price index, which measures inflation.

But how wage increase caps are to be calculated and what components of raises are subject to negotiation was unclear until Tuesday, when the district received clarification on these issues, Weber said.

The district must first calculate a base wage, then multiply it by the consumer price index, which is currently 3.16%, Weber said.

The overall salary increase and how that increase is distributed throughout the pay scale is subject to negotiations with unions, he said.

“We want to attract and retain the best teachers, but salary is only one component of staying power,” Weber said. “The biggest factors are job satisfaction and working environment, and we’re leaders in those areas.

“All of this is very manageable in the proposed budget, which puts the district in very good financial shape.”

Although Act 10 was enacted last year, it will not affect most district employees until July 1.

That is because teachers, as well as secretaries and paraprofessionals, are working under contracts until June 30, when the agreements expire.

Teachers were granted a one-year contract extension in April 2011, shortly before Act 10 was enacted. That contract contained several concessions, including a partial pay freeze that allowed increases only for educational advancements.

Board members said the contract extension would give them a year to draft an employee handbook to replace the contract and overhaul benefits in a new post-collective bargaining era.

Last month, the board took its most significant step in that direction by ending its long-term relationship with WEA Trust, the insurance carrier associated with the state's largest teachers union, and giving its roughly $4.5 million worth of health insurance business to Humana.

The change in carriers and benefits is expected to reduce the total insurance premium by $919,000 next school year. Most of that savings — at least $700,000 — is expected to be realized by the district, which pays 87% of the premium for most employees. The balance of that savings will benefit employees, most of whom pay 13% of their premiums, and retirees, whose health insurance benefits are frozen at retirement.

Under the new insurance plan, employee premiums, which are now $100 and $200 for single and family coverage, respectively, will increase to $500 and $1,000. The new plan also introduces a $20 co-pay for office visits and increases the co-pays for urgent care and emergency room services.

Also last month, the board reduced the benefit that pays employees cash in lieu of health insurance benefits.

Currently, employees who opt not to be covered by the district health insurance plan receive an annual payment equal to the district's portion of the single coverage premium, which is $8,380. Beginning July 1, employees are eligible for a cash payment of $5,400.

The board also changed the criteria for the cash payment eligibility. Employees will have to work at least 80% of full time to qualify for the benefit, even though those who work 60% qualify for prorated health benefits. Currently, employees who work as little as 50% qualify for a prorated cash in lieu of insurance benefits.

In addition, the cash option will be eliminated for employees whose spouses also work for the district. Currently four employees who are covered by the district insurance also receive the cash in lieu payment because their spouses are district employees.

The board also eliminated cash in lieu of insurance payments for retired teachers and hourly workers beginning in 2013.