

# PAEA BUZZZ

OCT 2008

THE NEWSLETTER OF THE PALO ALTO EDUCATORS ASSOCIATION

## **NEGOTIATIONS HEALTH BENEFITS**

The two teams have met several times and covered most of the issues on the table. The district has proposed changes to the current Early Retirement Health Benefits in Appendix B.3.

Currently employees retiring from the district between the ages of 55 and 65 after working for 20 full time years are entitled to a maximum of 5 years of paid health coverage. The benefit goes away when they reach 65 years of age and qualify for Medicare. This Benefit has created what is referred to as the *GASB liability*. Turn the page for an explanation. The district would like to eliminate or reduce this liability.

The district proposed to sunset the benefit for new hires. In its place a Health Reimbursement Account Plan (HRA) would be implemented. After an employee reaches 10 years of district service the District would contribute \$1,000 per year tax free per employee for every employee who voluntarily waives his or her right to the current retiree health plan benefit. This includes employees who will not ever qualify for the current benefit. After retiring from the district and STRS the employee can access the HRA tax-free for reimbursement of health related costs. Or employee can access the HRA not tax-free for non-health related expenses. The money in the HRA is projected to grow at 3% per annum so \$1000/yr over 25 years would equal \$65000.

In addition the district proposed that any full time employee in a district insured group who wishes to opt out of the district's insurance plan and can prove

they have comparable insurance from another source, eg. spouse or partner, can opt out and receive \$2,500 yearly payment from the district.

Any early retiree who opts out of the Early Retiree Health Benefit will receive \$3000 yearly payment.

## **SALARY**

The district has offered a 4.08% increase on the salary schedule for 08-09 retroactive to the start of the contract year contingent on the package

## **PLANNING TIME**

The Association seeks to extend planning time to Speech and Language Therapists. The district is still looking into the matter.

## **LEAVES**

Changes have been proposed to the notification dates for leaves.

## **TRANSFER**

The Association seeks to increase available information regarding intra district transfers for a current teacher.

## **COMPENSATORY TIME OFF**

The district is seeking to curtail the use of compensatory time off by elementary teachers for time spent in parent teacher conferences outside of school hours.

**For more details check out Table Talk on the [paeacta.org](http://paeacta.org) website OR MEET WITH TRIONA, ask your site rep for your school visit schedule.**

**The Not So Great GASB  
aka Governmental Accounting Standards Board**

- Districts and all other public entities are recommended to set aside an amount of money in an irrevocable trust to cover the costs of promised retirement benefits for a period of 30 years in case they go bankrupt ( Think about Enron, Tyco, Worldcom, Vallejo...)
- This rule is called GASB45 and the amount needed to be set aside is called the GASB 45 liability
- This does not affect our retirement pension since STRS is a separate system and not effected by bankruptcies of cities or districts.
- An actuarial firm set Palo Alto school district’s GASB 45 liability at around \$11 million.
- The district has about \$2.4 million set aside at the moment.
- The district needs to set aside another \$8.4 million.

**WHERE WILL THAT MONEY COME FROM?**

It comes from the general fund, money that might otherwise go towards raises.

**WHO USES THIS BENEFIT?**

Employees retiring from the district between the ages of 55 and 65 after working for 20 full time years are entitled to a maximum of 5 years of paid health coverage. The benefit goes away when they reach 65 years of age and qualify for Medicare.

**HOW MANY TEACHERS USE IT?**

At the moment there are 36 teachers using this benefit. Since more than 114 teachers have retired in the past 5 years it is a reasonable guess to say that 30 percent of teachers use this benefit.

**WHY WOULD ONE NOT USE THE BENEFIT?**

There are several possible reasons:

- Doesn’t remain with district for 20 full time years
- Doesn’t want to retire early
- Can’t afford to retire early
- Has coverage from a spouse or partner

The following table illustrates the use of the benefit by teachers in the past 5 years.

<b>Yrs. of Health Benefits</b>	<b># Emp. Qualified</b>	<b>Used Years</b>	<b>Didn’t use some years</b>	<b>Used none of years</b>
<b>5</b>	<b>78</b>	<b>28</b>	<b>19</b>	<b>31</b>
<b>4</b>	<b>1</b>	<b>16</b>	<b>4</b>	
<b>3</b>	<b>0</b>	<b>9</b>	<b>3</b>	
<b>2</b>	<b>2</b>	<b>4</b>	<b>10</b>	
<b>1</b>	<b>1</b>	<b>4</b>	<b>16</b>	
<b>0</b>	<b>32</b>			

## **POLITICAL ACTIVITY**

As the elections approach I am frequently asked if teachers can engage in political activity at work. School employees have the right to discuss with each other endorsement of political candidates and initiatives, distribute union literature and post related information on union bulletin boards during non working time, i.e., before or after school, during lunch or other non-duty breaks. These activities cannot involve students or parents.

## **CLAD**

A problem has arisen. The state of California will audit the district beginning this year to determine if CLAD certified teachers are in all classrooms with English Learners. The District will be fined if a teacher is inappropriately placed. There are approximately 95 non-CLAD teachers. District will need to move them into classes with no English Learners to avoid losing money. This means that CLAD teachers will have a much higher percentage of EL students or non-CLAD teachers will need to be moved to a different position. At some levels it will be impossible to avoid fines.

District is willing to help the non-CLAD teachers get certified by paying for a trainer, purchasing the books and possibly paying the test fees. The district would like to also freeze non-CLAD teachers on the salary scale until training is completed.

The association is also in favor of teachers pursuing appropriate professional training. The association works hard to keep money in the district and on the salary schedule and is against money returning to Sacramento in the form of fines. The association also recognizes the inequities in placing all English Learners in the CLAD credentialed teachers classes and wishes to avoid such a situation. In order to avoid the spread of misinformation and rumors we intend to hold a district wide meeting for teachers still needing their CLAD authorization. Check your email or with your site rep for the day and time.

**Oct. Rep Council Meeting** will be held on Thursday 10/16 4:00–6:00 PM at Jordan Middle School 750 N. California Ave. Hosted by Millie Balsam and Betty Krumboltz



**PAEA EXECUTIVE BOARD**

<b>President</b>	<b>Triona Gogarty</b> <a href="mailto:trionag@earthlink.net">trionag@earthlink.net</a>
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<b>Site Reps for 08-09</b>					
<b>Addison-</b> Terry Baldwin	<b>Barron Park</b> Rusty Tooley	<b>Briones</b> Mary Goodkind Joanne Soraghan	<b>Children's Hospital</b> Kevin Danie	<b>Duveneck</b> Mangla Oza Doug Burress	<b>El Carmelo</b> Diane McCoy
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If you would like to be a Representative for your site contact Triona Gogarty. There are once a month meetings for which you receive a stipend. Each site can have more than one representative and rep. positions can be shared.