

EXECUTIVE SUMMARY

NEW KEY ECONOMIC PROVISIONS OF THE 2016-2020 HHSTA FACULTY CONTRACT AND MISCELLANEOUS PROVISIONS

The following represents an Executive Summary of the new key economic provisions of the 2016-2020 Hinsdale High School Teachers Association (HHSTA) faculty contract that will be recommended to the Board of Education for ratification:

BRIEF OVERVIEW

The new HHSTA faculty contract is a 4 year agreement which provides an estimated average annual increase in the faculty economic package of 2.87% (including all salary and fringe benefits, and subject to the PTELL formula below and other assumptions contained in the District's financial projections).

DURATION - Page 7

Four year agreement beginning July 1, 2016 and ending June 30, 2020.

SALARY – Pages 24 to 31

Year #	School Year	Base Increase	Experience Step Increase
One	2016-2017	0.8%	None
Two	2017-2018	None	One step averaging 0.8%
Three	2018-2019	75% of PTELL CPI* but no less than 1% nor more than 2%	One step averaging 2.9%
Four	2019-2020	75% of PTELL CPI* but no less than 1% and no more than 2%	One step averaging 2.9%

*The term "PTELL CPI" refers to the annual 12 month (Dec. to Dec.) average national consumer price index for all urban consumers for all items as published by the United States Department of Labor, Bureau of Labor Statistics, as used for purposes of limiting taxes under the *Property Tax Extension Limitation Law*, but no more than 5% (PTELL). Since the inception of PTELL in 1992, the PTELL CPI percentage has ranged from 0.1% to 4.1%, with the average from 1992 through 2015 of approximately 2.3%. The 2016 PTELL CPI percentage will not be available until mid-January 2017.

HEALTH INSURANCE – Pages 55-59

The new contract converts the past defined insurance benefit to a more fixed insurance benefit by means of an IRS approved section 125 plan. The most recent 2016 plan under the 2014-2016 contract required the Employer to pay 82% of all present and future premium increases. The new Section 125 plan sets a foundation level of 90% for 2016-2017, with all future Employer payment of any increased premiums capped at 4% annually (i.e., calculated on a gradual scale of 50% of all premiums increases up to 8%, with employees paying 100% of all additional increases once the Employer payment has reached 4%). In addition, the new contract incents those employees who have insurance options elsewhere to waive District insurance for a flat payment of \$5000 in lieu of the Employer paying the higher District insurance premium.

403(b)/457(b) EMPLOYER CONTRIBUTIONS IN LIEU OF POST-RETIREMENT INSURANCE – Pages 60-65

The new contract phases out the defined benefit of Board paid post-retirement insurance with a fixed Employer paid 403(b) contribution. Effective with the 2016-2017 contract year, the Employer will contribute to each employee's 403(b) or 457(b) account an amount equal to 2% of the employee's base salary. These Employer contributions will serve as an offset to providing post-retirement insurance. At the time the employee elects to retire, the total amount of the 403(b)/457(b) contribution (including investment returns) shall be deducted from the then calculated Employer cost of post-retirement insurance. With each passing year, the Employer obligation to pay for post-retirement insurance will decrease, culminating eventually in a total phase out of the post-retirement insurance obligation of the Employer (estimated to be totally eliminated in 8 to 10 years).

COMPENSATION FOR EXTRA-CURRICULAR DUTIES, STIPENDS AND OTHER MISCELLANEOUS PAID POSITIONS – Pages 32 to 43

For those employees who take on added responsibilities in the form of extra-curricular positions, stipend positions and other miscellaneous paid positions (e.g., summer school), the pay rates for such positions shall increase by the same percent as the employee increase in the salary schedule base (i.e., 0.8% in year 1, 0.0% in year 2 and a minimum of 1% to a maximum of 2% as tied to the PTELL in years 3 and 4).

OTHER PROVISIONS

- Work day language revised for final exam days, late start days; extra days and hours required of guidance counselors are defined – Pages 10 to 12
- Work year language revised to encourage teacher collaboration – Page 18
- Salary freeze language revised for teachers with low evaluation ratings – Page 24
- Coursework and degree approval language revised to more closely correlate to teacher content areas and to give preference to related post graduate degree programs before awarding credit for administrative leadership programs – Page 26
- Extra-Curricular Activities language revised for clarity – Pages 32 to 43
- State Mandated Grievance Procedures language revised for clarity – Pages 52-54

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- Insurance Committee language revised for clarity – Pages 55-56
- New Deferred Compensation committee established to align with new 403(b)/457(b) benefit – Page 65
- Illinois Teacher Retirement System (TRS) excess contribution language revised to accommodate new deferred compensation benefit and new section 125 plan – Page 64