Statement of the Board Regarding 2014 Negotiations

September 26, 2014

Given the work stoppages last week and again today, I want to take this opportunity to report the position of the Board on the issues in negotiations with the Union Coalition.

First, I would like to emphasize that the Board is fully and regularly briefed on the status of negotiations. It carefully considers the positions of the parties before authorizing proposals. The negotiating team's current proposals have been formulated and vetted by the Board, and the Board stands firmly behind them.

With respect to those proposals, the Board authorized a generous wage increase of 3% per year for each of the three years of the proposed contract. On a compounded basis, this represents a 9.27% wage increase over the next three years.

As to the Bronze Plans, the Board stands firm in its resolve to institute the Bronze Health Plans as an option for Coalition employees. While the Bronze Plans are not only a way of dealing with impending changes to health care law coming with the implementation of the Affordable Care Act in 2018, they provide significant cost savings to the District now. The Bronze Plans also provide employees with a lower-cost option for those who want to lower their premium-shares. And while the Bronze Plans have higher out-of-pocket costs, the District will cover these expenses through District-funded HRA accounts. The Board appreciates the Coalition's concerns with the Bronze Plans; but these concerns are unfounded. Nonetheless, we decided to make the Bronze Plans completely optional so that no employee is forced into a Bronze Plan against his or her will. This should adequately address the Coalition's concerns.

With respect to the proposed increases to the premium-shares for the current health plans, the proposed rates are modest, especially in comparison with the cost to the District of providing those health plans. In fact, depending on the plan an employee chooses, his or her premium-share might decrease. And, the largest increases possible under the District’s proposal represents .4% to .7% of wages, so even worst case, employees who select the most expensive options still will see a yearly net wage increase of at least 2.3%, at a minimum. In addition, the resulting premium-shares are still less expensive to District employees than all or most of the other public agencies in the greater Bay Area.

The District's proposals are in line with Board objectives and offer Coalition employees a package that is more than fair. The Board encourages the Union Coalition to reconsider its rejection of the District's offer.