

NUTLEY BOARD OF EDUCATION

April 5, 2010

**EDUCATION ASSOCIATION OF NUTLEY
2009-2012 AGREEMENT**

www.nutley.k12.nj.us

HEALTH BENEFIT CHANGES

- ✖ Savings from plan changes (effective December 1, 2009):
 - + Traditional Plan deductibles were increased from \$100 to \$250 per individual and \$200 to \$500 per family. The estimated annual savings is \$42,000.
 - + Traditional Plan coinsurance maximum out of pocket was increased from \$400 to \$500 per individual and \$800 to \$1,000 per family. The estimated annual savings is \$34,000.
 - + Traditional Plan will pay non-participating providers 90% of the “reasonable & customary fee” instead of the 100% level. The estimated annual savings is \$107,000.
 - + Total annual savings are \$183,000.

HEALTH BENEFITS continued

✖ Switch from Traditional to Direct Access

A one-time transfer fee of 25% of the premium savings was offered to employees if they switch their coverage from Traditional to Direct Access. This switch is irrevocable.

So far 20 employees opted to switch resulting in annual savings of approximately \$75,000 in premium costs.

✖ New Hires

All new hires will only be able to enroll in the Direct Access Plan. The 2009-10 yearly plan savings per employee is \$3,144 for single, \$6,493 for 2 adults, \$4,438 for parent/child and \$7,689 for family coverage.

AVERAGE SETTLEMENT RATE INCREASES

- ✖ The average settlement increase in Essex County was:

2009-10	2010-11	2011-12
4.34	4.17	

- ✖ The average settlement increase throughout the state was:

2009-10	2010-11	2011-12
4.45	4.39	4.27

(Settlements are inclusive of increment and longevity as reported by NJSBA 10/2009.)

SETTLEMENT RATES STATEWIDE

<u>COUNTY</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
ATLANTIC	4.73	4.67	4.40
BERGEN	4.44	4.41	4.33
BURLINGTON	4.92	4.86	4.95
CAMDEN	4.68	4.61	4.58
CAPE MAY	4.35	4.37	4.42
CUMBERLAND	4.57	4.31	4.00
ESSEX	4.54	4.17	
GLOUCESTER	4.62	4.56	4.50
HUDSON	4.19	4.18	4.14
HUNTERDON	4.25	4.20	3.71
MERCER	4.43	4.35	4.00
MIDDLESEX	4.39	4.41	4.20

SETTLEMENT RATES STATEWIDE – CONT'D

<u>COUNTY</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
MONMOUTH	4.36	4.31	4.25
MORRIS	4.42	4.31	4.00
OCEAN	4.39	4.30	3.99
PASSAIC	4.49	4.54	4.46
SALEM	4.19	4.22	
SOMERSET	4.28	4.34	4.17
SUSSEX	4.20	4.10	4.20
UNION	4.18	4.23	
WARREN	4.30	4.00	3.90
AVERAGE	4.45	4.39	4.27

Settlements are inclusive of increment and any increase in longevity as reported by NJSBA , October 2009.

SALARY GUIDE AVERAGES – BA GUIDE

✖ 2009-10	BA Minimum	BA Maximum
Statewide	\$46,687	\$75,974
Nutley	\$45,365	\$77,801

✖ 2010-11	BA Minimum	BA Maximum
Statewide	\$48,601	\$78,515
Nutley	\$46,836	\$79,408

SALARY GUIDE AVERAGES – MA GUIDE

✘ 2009-10	MA Minimum	MA Maximum
Statewide	\$49,998	\$80,126
Nutley	48,389	86,000

✘ 2010-11	MA Minimum	MA Maximum
Statewide	\$51,839	\$82,575
Nutley	\$49,891	\$87,776

NUTLEY SALARY GUIDE -- TEACHERS

- ✗ The salary guide contains steps which each teacher progresses through.
- ✗ Difference between first step (new hires) and top step (retirees) is approximately \$50,000.
- ✗ Total number of steps are 16.
- ✗ Total cost of steps is calculated by summing the increase between Step 1 and Step 2 and Step 5 to Step 6 and so on through out the entire salary guide that would result if the guide stayed the same.
- ✗ The overall incremental increase in the teacher salaries from 2008-09 to 2009-10 equaled 2.38%.
- ✗ Increase for a teacher at the top step is 2.1%

NUTLEY SALARY INCREASES

✖ Impact of Salary Guide Increases	2.38%
✖ Adjustments to Guide	- 0.58%
✖ Base Salary Increase	2.10%
✖ Total Increase	3.90%
✖ Increase to Longevity Scale	0%

NUTLEY SALARY GUIDE COSTS

2009-10 Actual Teacher Salaries= \$23,897,744

2008-09 Actual Teacher Salaries= \$23,389,308

Increase = \$ 508,436 ~ or ~ 2.17%

2010-11 Projected Teacher Salaries =\$24,466,686

2009-10 Actual Teacher Salaries =\$23,897,744

Increase = \$ 568,942 ~ or ~ 2.38%

Questions ???