

# BARGAINING TRENDS AND OUTLOOK 2013-2014

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OSBA leads the way to educational excellence by serving Ohio's public school board members and the diverse districts they represent through superior service, unwavering advocacy and creative solutions.



#### What we've seen in 2013:

- Salary
- Insurance
- Hot topics: OTES, Affordable Care Act
- Strikes/picketing



#### Public sector wage settlements in 2012/2011

School district: 0.54% 0.35%

Teacher: 0.60% 0.34%



# Wage settlements by unit type...2012/2011

Police: 1.20% 0.96%

Fire: 1.21% 1.23%

Other: 1.01% 0.69%



#### Wage settlements by region ...2012/2011

Akron/Canton:	0.72%	0.57%
Cincinnati:	1.14%	0.49%
Cleveland:	1.00%	0.68%
Columbus:	1.11%	1.12%
Dayton:	1.08%	0.68%
Southeast Ohio:	1.46%	1.38%
Toledo:	0.85%	0.74%
Warren/Youngstown:	0.85%	0.46%



## Public sector strikes in FY 2013

Strongsville City Schools: 56 days

Central Ohio Transit Authority: 3 days



# Notice of Intent to Picket (October 11, 2013)

Fairborn City Education Association

Indian Hill EV Education Association

Greater Dayton Regional Transit Authority



# **OTES** and Negotiations

- Many districts have seen a boilerplate OEA proposal which mirrors general OTES concepts, but also delays employment decisions based on evaluations for as long as possible (2-3 years)
- Some issues have arisen with July 1, 2013 policy adoption deadline v. unfinished negotiations
- Legislative change in HB 59 (Budget bill) from "Proficient" to "Skilled"



#### Health Care Trends

Plan designs used by school districts:

Traditional 0%

PPO 78.8%

POS 2.4%

HMO 3.3%

HDHP (no HSA) 3.9%

HDHP (w/HSA) 9.8%

Self-funded plan types (including all designs) 77.5%



# Average school district monthly medical & prescription drug plan premiums/funding levels

Average Monthly Premium: \$535/single \$1,354/family

Average Monthly Contribution: \$66/single \$184/family

Average Percentage: 12.4%/single 13.5%/family



### Opt-out payments

33.3% of districts offer opt-out incentives to employees who waive coverage, which is unchanged from 2012

Average single coverage opt-out: \$1344

Average family coverage opt-out: \$2048



#### Other school district trends . . .

- 90.8% have conducted dependent eligibility audits within past 3 years
- 74% participate in health insurance purchasing consortiums (highest in all categories)
- 61.9% offer wellness programs (second only to universities and colleges)
- 35.2% have some type of spousal restriction (6.1% decline from 2012; most common restriction is requirement to take other insurance as primary)



Average monthly premiums (medical and prescription):

\$520 single coverage

\$1370 family coverage

One year increase in premiums (medical and prescription):

2.8% for single coverage

2.3% for family coverage



- Average annual total cost per employee for medical and prescription drug coverage is \$12,749 (2.4% increase from the average total cost in 2012)
- For 2013, only 13.2% of single medical plans and 11.3% of family medical premiums were 100% employer-paid
- Average employee monthly contribution is \$66/single and \$184/family coverage (4.8% increase for single coverage and 6.3% increase for family coverage from 2012)



- Statewide average co-payments:
  - \$20 for office visits (non-specialist)
  - \$100 for emergency room visits (sometimes waived if admitted)
  - \$35 for urgent care visits
- 91.6% of plans require a deductible before cost-sharing of out-of-pocket medical expenses begins.



• 94.2% of jurisdictions offer an option for dental benefits. Of the jurisdictions that offer dental coverage, most (88.4%) do so via a carve-out plan separate from the medical premium.

 73.9% offer some level of vision coverage. Of the jurisdictions offering vision coverage, most (79.7%) do so via a carve-out plan separate from the medical premium.



#### **Data Sources**

- Wage settlement data is based on SERB's
   2012 Annual Wage Settlement Report
- Health care data is based on SERB's 21st Annual Report on the Cost of Health Insurance in Ohio's Public Sector (Data is representative of medical insurance plans in effect on January 1, 2013)
- http://www.serb.state.oh.us/index.html



# Patient Protection and Affordable Care Act (PPACA or ACA)

- Signed into law on March 23, 2010
- Phased in, and often delayed, implementation since September 23, 2010.
- The main features taking effect on January 1, 2014, include:
  - Individual mandates
  - Employer taxes
  - Government/public exchanges or marketplaces



#### **ACA Employer Concerns**

- Fines for employers with over 50 employees
- Plan revisions to meet federal guidelines
- Required employee notices and reporting requirements
- Medical plan's value must be included on W-2's
- Determining the number of full-time employees (30 hours/week)



#### Further ACA concerns ...

- On July 2, 2013, the Treasury Department extended to 2015 (from 2014) the requirement that employers provide health insurance to employees or pay a penalty
- Other changes (delays) have been released as well.
- The ACA and compliance to it could be a major bargaining issue in future bargaining. Current plans are considered rich and the value of excess benefits may be subject to a 40% excise tax in 2018.



## **Contact information**

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## Thank you!



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