

# South Butler County School District

## Negotiations Update

November 2, 2016

In an effort to provide the public with accurate information regarding the status and progress of the negotiations with the South Butler County Education Association (PSEA/NEA), the District has put together this Negotiations Update.

- In the October 30, 2016, Butler Eagle article titled S. Butler board consults with S.R., the paper quotes the teachers' PSEA representative, Brooke Witt, along with a spouse of a South Butler teacher, George Zacherl. Both individuals provided statements which do not accurately describe the Board's most recent Proposal.
- In response to the Board's health care proposal, Brooke Witt was quoted as saying "The district couldn't speak to how that [Flexible Spending Account contributions] would impact the people who aren't in the district's insurance." This statement is not accurate. As part of its health care proposal, the Board offered the teachers the ability to utilize a Flexible Spending Account (FSA) which would enable the teachers to use pre-tax dollars to pay for health care expenses. In addition, as part of the Board's wage proposal, the Board offered to contribute up to \$1,000 into each teacher's flexible spending account. The Board was not asked about how the District's FSA contributions would apply to teachers who are not covered by the District's health care. If the teachers would have asked the question, the Board would have explained that those teachers could elect to receive up to a \$1,000 supplemental wage payment. The same answer would apply to teachers who are covered by the District's health care, but elect not to take advantage of a FSA. Those teachers could also elect to receive up to a \$1,000 supplemental wage payment. As indicated in a prior Board Negotiation Update, the Board's offer was intended to address the teachers' concerns regarding the funding of their flexible spending accounts, as expressed by the teachers at the bargaining table.
- In further response to the Board's FSA proposal, Brooke Witt is quoted as saying "The other problem is that's 'use it or lose it' money. If they don't use it (that money) goes back to the district. It's not actually true compensation." This statement is not accurate. The teachers who elect to utilize a flexible spending account are permitted to roll-over up to \$500.00 from one-year to the next. Also, the Board is giving the teachers the option to receive up to \$1,000 as supplemental wages or as a contribution into a FSA. Either way, the teachers receive \$1,000 in additional compensation. The Board's health care proposal does not require them to use or contribute money into a FSA.
- In response to the District's health care proposal, Mr. Zacherl was quoted as saying that the "average families will be paying full price for prescription and routine office visits, a large immediate cost that could hurt families who do not use the insurance plan often." This statement is not accurate. Under the Board's health care proposal, the District pays for 100% of all preventive care services. There is no cost to the teachers. With respect to all non-preventative care services, the District pays

50% and the teacher pay 50% of all health care costs, including prescription drug costs. This 50/50 split starts with dollar one of all non-preventative health care costs.

- For example, if a teacher goes to his/her doctor or MedExpress or the hospital, he/she will eventually get a bill in the mail for the services. The teacher will have at least a month to pay the bill, if not longer. The teacher can utilize a FSA to pay his/her 50% with pre-tax dollars while the District will pay its 50% through a Health Reimbursement Arrangement (HRA).
- If a teacher gets a prescription filled at the pharmacy, he/she will be required to pay for the drugs before leaving the pharmacy. If the teacher has a FSA, the teacher can use pre-tax dollars to pay for the drugs. If the teacher does not have a FSA, then the teacher will need to pay the cost with cash or a credit card. If the teacher has a fully funded FSA (\$1,000 for single coverage or \$2,000 for family), the teacher will get a FSA debit card. The FSA debit card is just like a debit card for your bank account. If the teacher goes to the pharmacy the first day of the school year, July 1, and his/her prescriptions cost \$1,000, the teacher can simply use his/her FSA debit card and the money will automatically be taken out of his/her FSA. The District will then reimburse the teacher for the District's 50% (\$500) which can be directly deposited back into the teacher's FSA.
- For additional information regarding negotiations and the Board's Proposals, please visit the School District's website at [www.southbutler.org](http://www.southbutler.org). Also, the District has posted four informational fliers that help explain the Consumer Driven Health Care Plan. These information fliers were prepared by the District's health care consultant, First Niagara Benefits Consulting.