

Frequently Asked Questions

2015-16 Contract Negotiations with Santee Teachers Association (STA)

■ Health Benefits

1. What is the District's proposal for increasing Health Benefits?

- a. The District is proposing to increase the Health Benefits Cap by \$1800 over the next three years by adding \$600 to the Cap for the next three years:
 - i. 1/1/2016: $\$7200 + 600 = \7800
 - ii. 1/1/2017: $\$7800 + 600 = \8400
 - iii. 1/1/2018: $\$8400 + 600 = \9000

2. What is the salary equivalent of \$1800?

- a. Adding \$1800 to the Health Benefits Cap over the next 3 years equates to an approximate 1.65% salary increase

3. Will retirees receive this Health Benefit Cap increase?

- a. No, the increase is for active employees only

4. Why is the District proposing to not increase the retiree Health Benefit Cap?

- a. The more the District contributes to retiree benefits, the less revenue available to improve compensation for active employees, provide instructional resources, maintain facilities, and fund other District expenditures
- b. Since districts do not have a specific funding source for retiree benefits, the cost must be taken from the funds used to provide salaries and health benefits for active employees, instructional resources, maintenance of facilities, and other district expenditures
- c. This retiree benefit creates an "unfunded liability" for the District
- d. The District currently pays approximately \$500,000 each year for retiree health benefits
- e. Every 2 years the District is required to calculate and report the unfunded liability for these retiree benefits on our financial statements. The current unfunded liability is over \$10 million