

The following statement was read at the Parsippany-Troy Hills Board of Education Meeting on August 21, 2018 by Mrs. Alison Cogan, Chair of the PTHEA Negotiations Committee on behalf of the Board of Education:

The Board of Education is, to say the least, disappointed by the recent communication from the PTHEA leadership to its members encouraging them to initiate work actions. The communication distorts both the Board's negotiations position and the realities of the District's budget constraints.

Negotiations commenced on January 25, 2018 and significant progress was made over the ensuing months. The prior contract only recently expired on June 30, 2018. The terms of that contract remain in effect until a successor agreement is ratified.

While we believe it in the best interest of the negotiations process to avoid going into too much detail at this time, the fact is that the Board made an offer which was generous, fair to both parties, and very close to what the Association was seeking. The Board has been clear throughout negotiations that in order to achieve a meaningful salary increase in the face of the two percent cap on the tax levy and escalating insurance costs, some adjustment to the current insurance coverage would be necessary. Indeed, according to data from the New Jersey School Boards Association, 49% of districts settling contracts covering the 2018-19 school year reported attaining health insurance cost containment.

At the same time, we understand that the impact of the mandatory insurance premium contribution required by the law known as Chapter 78, P.L. 2011 continues to be a concern for our employees. In fact, in the last contract, the Board went further than most other school districts in the Chapter 78 relief provided to our teachers. However, the fact remains that the Board still absorbs roughly 80% of the cost of medical insurance and premium increases, and this remains a significant budgetary concern.

The small-group meetings that occurred between the Association and the Board's representatives were, by mutual agreement, not negotiations but exploratory discussions. No representations were made that the package sought by the Association would be agreed to by the Board's negotiations team, as acknowledged by the Association at the July 9th Meeting. Negotiations only occur between the Association's team and the Board's negotiating team.

The Board's offer would give teachers the significant Chapter 78 relief sought by the Association *if they enrolled in an insurance plan that is already in effect in the District and in which many of the Association's members are currently enrolled*. This is a fine insurance plan with excellent benefits and is, comparable to the coverage provided to teachers in many other school districts. Those employees who chose to remain in the more expensive plan would still see a significant, albeit slightly less, reduction in their maximum Chapter 78 contribution. Of the minority of school districts that have made Chapter 78 modifications, very few have been prepared to go as far as the Board's offer. We also sought a modest \$5 increase to the prescription insurance co-pays beginning in 2019-20. The resulting insurance savings would help control insurance costs and assist the Board in responsibly funding a meaningful salary increase for our staff which would be close to, if not above, the County average.

The Board also offered to make available lower-cost voluntary insurance options which would allow employees to choose to reduce their Chapter 78 contributions.

The Board's last proposal fairly addressed both the interests of our valued teachers and our responsibility to the District's fiscal integrity and the taxpayers of Parsippany. It is unfortunate that the Association has chosen to reject outright that offer.