

# **MCEA ACTION!**

**Newsletter August 2005**

**mceawv.org**

**Dear Faculty Rep,**

**The beginning of school is always hectic, but this year you can add a special session of the legislature to the mix. The WVEA proposal for the session is listed later in this memo. Please note that this plan will bring WV teachers back to the national average as we have slipped once again to 47<sup>th</sup>. The only states below us are Oklahoma, North and South Dakota and Mississippi. This is a multi-year plan because it will take that kind of commitment for our salaries to climb out of the basement once again.**

**We are also asking that the 80/20 PEIA legislation be abolished because we are facing a 25% increase in insurance premiums while PEIA will have the largest surplus of funds in their history. This increase would negate any raise!**

**Finally, we are planning to meet at Hardees on September 10<sup>th</sup> to carpool to Charleston for the special session. We will meet at 7:00 am. This is our chance to demand our raise and do it on a Saturday so we don't anger the public. However, if the Governor and the Legislature do not heed our call—other action will be necessary.**

**Your members can contact our elected officials by email by using the WVEA website, [wvea.org](http://wvea.org). Click on Legislative action; enter your address and the email addresses for our delegation will appear. We will also update our website, [mceawv.org](http://mceawv.org) for additional information. Please ask them to take a look at both of these sites.**

**As always thank you for all you do!**

## ***WVEA'S SALARY PROPOSAL***

**WVEA is proposing** a three-year, 15 percent salary increase for all school employees. For the upcoming school year, 2005-06, the salary increase would be 6 percent, 5 percent the following year and 4 percent the final year. Each year of the salary proposal includes both an across-the-board increase for all employees and an increase in the annual increment steps. This proposal will move the state minimum beginning teacher salary (BA- 0 years of experience) to \$30,500.

WVEA also believes that the average teacher salary should be indexed to the contiguous states in order to maintain our relative salary ranking.

We estimate the average increase for professional educators in the first-year would be approximately \$2,300. For service professionals (service personnel) the average increase would be \$1,350. In the second year professional educators would receive an average increase of \$2,030. Service professionals would see a \$1,200 average increase. The final year's four percent increase would average \$1,700 for professional educators and \$1,000 for service professionals.

In addition, WVEA is proposing the school aid formula be modified so the money freed-up as a result of declining enrollment be used to close the gap in the salary schedule. WVEA will advocate the "growth in local share" (i.e., when property tax money from the regular levy increases, the state currently reduces its contribution to education by a like amount) be dedicated to closing the salary gap. Although using these sources of revenue will take a while to finally eliminate the gap in the salary schedule, the money is education dollars that have been diverted to other areas of the state's budget.

### **THE PEIA PROBLEM**

If the 80/20 legislation is *not* modified or eliminated this legislative session, then premium increases for the following year will be unprecedented. Premiums will have to increase another 25 percent beginning July 1, 2006 – whether PEIA needs the additional resources or not. For an average teacher (non-smoking, making between \$36,001 and \$42,000 a year), his or her family premiums will go from the current \$150 a month to slightly more than \$200 a month beginning July 1, 2006.

The Legislature should eliminate, or at the very least modify, the 80/20 statute. If the 80/20 rule is not eliminated then employees should only be charged 20 percent of the actual claims. Additionally, the contribution of employees and retirees through deductibles and co-payments should be acknowledged by the Legislature

### **THE PEIA SURPLUS**

Source: PEIA Quarterly Report for Fiscal Years 2005-2009, CCRC Actuaries, LLC, June 200r

Source	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Additional State Employer Revenue	\$40,000,000	\$25,000,000	\$40,000,000	\$50,000,000
Additional Employee Premiums	\$5,700,000	<b>\$21,800,000</b>	\$10,000,000	\$12,500,000
Additional Retiree Premiums	\$4,000,000	\$10,000,000	\$16,000,000	\$21,000,000
Medicare Part D Savings	\$8,000,000	\$20,000,000	\$23,000,000	\$27,000,000
Beginning Reserve Fund Balance <sup>1</sup>	<b>\$169,300,000</b>	<b>\$180,900,000</b>	<b>\$194,000,000</b>	<b>\$191,800,000</b>

<sup>1</sup>The beginning reserve fund balances are exactly as CCRC Actuaries reported them in June 2005. In July 2005, the CCRC Actuaries revised their savings from Fiscal Year 2005 and increased the projected savings by at least \$1.7 million and that figure may go as high as \$5 million. The reserve fund balances will increase accordingly in the future.

What can you do?

Contact our delegation [wvea.org](http://wvea.org)

Go to Charleston September 10th

Volunteer to help the Executive Committee