



West Orange Public Schools
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The West Orange Board of Education and Administration values our staff but need to find a fair and equitable agreement for all parties as the Board represents all West Orange taxpayers. We welcome the opportunity to find common ground and work together on viable solutions.

The Association unilaterally declared impasse on May 26, 2016. A mediator was appointed by the Public Employment Relations Commission, with whom we met on Tuesday, September 6, 2016, and our next session is scheduled for October 10, 2016. At the September 6th mediation session, the Board presented the Association with a salary increase proposal higher than the current settlement rate average of 2.41% in Essex County (statistics provided by the New Jersey School Board Association) and a health benefits proposal to which the Association has failed to respond.

The District spent \$70.7 million on Association member salaries and \$13.8 million on employees' health care benefits for a total of \$84.5 million. The Association members required health care contributions were \$3.1 million. The Board paid \$10.7 million for the Association's health care benefits last year. The cost of salary and benefits for Association members equate to 58% of the current Operating Budget. West Orange taxpayers fund 91.7% of the Operating Budget and 62% of the local tax bill funds the public schools.

Remaining within the annual 2% budget cap imposed by law is very challenging when insurance rates that cost \$13.8 million this year are subject to an increase of 10-14% annually. In this case, there would have been an annual increase of approximately \$2.0-2.8 million. In an effort to reduce the enormous increase each year, the Board appointed a new health care broker who secured an increase of only 8% for the 2016-2017 school year. By appointing the new broker of record, the Board was able to save approximately \$800,000. This rate increase benefited the overall health care cost to the Board and the out-of-pocket contributions for all district employees.

The current average cost of health care benefits to the Board for an Association member requiring *family coverage* is \$35,000 per year. Employees are currently required to pay, pursuant to Chapter 78 requirements, between 3%-35% of the premium based upon their salaries.

The Board finds it misdirected that the Association is criticizing the Board for the New Jersey State law, which required all public employees to contribute toward their health benefit premiums. The public should be aware that the Association members receive some of the highest salaries when compared to surrounding school districts. West Orange teachers are ranked the 7th highest in pay out of 103 comparable districts. As per the New Jersey Department of Education's analysis, our median salary is higher than similar districts in Essex County, including Livingston, Maplewood-South Orange, and Montclair School Districts. The only Essex County comparable district (K-12, with 3500+ students) with a median salary that is higher is Millburn Public Schools.

The Board remains hopeful that the parties will negotiate in good faith and strongly encourages the Association members to contact their leadership and demand specific details regarding the Board's recent salary increase and health benefits proposals.

The Board is committed to negotiating a contract that is fair to the Association members and the West Orange taxpayers.
