

NEGOTIATION MINUTES
June 3, 2015

DISTRICT ADMINISTRATION PRESENT: Amy White, Tim McMurtrey

MHEA PRESENT: Luke Franklin, Rich Urquidi, Terri Sanders, Topher Wallaert

OTHERS PRESENT: Marilyn Kellerman, Rhonda Urquidi, Mollie Marsh, Denise Weis, Robynn Schipani, Christine Negri, Janet Hughes, Anne Bowlden, Cliff Ogborn, Jim Alexander (about 1-hour), Maura Brantley, Michele Hoye, James and Rowena Main

MINUTES: Sharon Whitman

NEGOTIATIONS STARTED: 9:04 a.m.

These negotiation minutes are a transcript of the conversations of the negotiation meeting. The intent, meaning, and direction of the conversations are transcribed below; most every word spoken has been transcribed. The negotiation meeting was recorded by both the District Administration Office (Board or District) and the Mountain Home Education Association (MHEA or Association). For a copy of the audio, please contact either the MHEA (Richard Urquidi) or the District Office (Sharon Whitman).

Where the term “master contract” and “master agreement” are used, the true name of the document is Collective Bargaining Agreement (CBA) is used in place of.

1. Approve the minutes from the May 28, 2015, negotiation meeting.
 - Amy – I indicated that I have one change that was throughout [minutes]...where I’m talking about “we” or on behalf of”...it [minutes] says administration throughout and it should say “District “or ‘Board” throughout. There is one place where it [word administration] did [belong]. I’m here to talk about the District or the Board...not the administration.
 - Amy – you [Sharon] said you had caught a few [too].
 - Sharon – yes, page 12...it was a hard to figure out what you [table] were talking about, so I’m not sure it makes sense, starting with Rich, “... brainstorming...,” does it make sense to you, because I have no idea...
 - ~ Terri – it should say agenda.
 - ~ Sharon – so change that to agenda?
 - ~ Amy – yes.
 - Sharon – the next one on page 21...where it says, “Rick...check’s in the mail,” it should be Luke
 - ~ Rich – I was going to say something, because I don’t remember saying that.
 - ~ Luke – sounds like something I’d say.
 - Amy – there was one [error] in here [somewhere] Luke...page 15...I thought you [Luke] said, “I don’t think...” and it’s written, “I think...”
 - ~ Luke – ...yes, [it should say] “I don’t think.”
 - Sharon – so you [table] are approving the minutes (*everyone nodded yes*). The minutes will go out when I get back to work.
2. Amy – Rich also gave us the agenda for today.

Mountain Home School District and Mountain Home Education Association
Bargaining Session Agenda
June 3, 2015

Item 1:	Welcome/Introductions	
Item 2:	Review of Previous Minutes May 28, 2015	
Item 3:	Old Proposals	
	Negotiations Set Proposal	MHEA
	Staff Involvement in Decision Making	MHEA
	Association Recognition	MHEA
Item 4:	New Proposals	
Item 5:	Other	
	Budget Presentation	
	Insurance Committee	
Item 8:	Set Next Meeting Date	
Item 9:	Adjourn	

- ~ Sharon – so that means you [table] are approving the agenda?
 - ~ Amy – we are approving today’s agenda.
 - Rich – we can jump down...we can go out of order on the agenda...
 - ~ Amy – ...I was going to suggest to...going out of order, because some of it [agenda items] may drive what we want to talk about.
 - Amy – [Rich] would you rather do budget or insurance first...you decide.
 - ~ Rich – budget.
 - Luke – before we get started, I need to inform you all that I need to leave by 12:30 instead of 1:00 p.m. (*he had a prior engagement in another school district*).
 - ~ Rich – one thing too...Topher said if he gets a page for a fire, he needs to leave too.
3. Amy –why don’t we start with budget and work our way through.
- Cliff – I’ve been asked to present to the Negotiations Committee the same presentation that I gave at the budget work session that I had with the Board of Trustees, April 28, 2015. It [budget presentation] discussed all the characteristics of the finances of the School District, some of the assumptions that were made in putting the budget together. To start off with, what I talked about was the delineation and understanding between the General Fund and Special Revenue Funds. [The] General Fund is the main “checking account” of the District, if you will, the funds are open for discretionary use, they go generally to salaries and benefits, we’re predominately...we’re about 85% heavy in salaries and benefits because we are a very labor intensive organization. Special Funds are the ones [funds] that come from

the State, the Feds, local taxes, they're dedicated for specific use and can't be used for discretionary money, and we have to track them separately.

- Cliff – there are two ways to categorize expenses, one is by function code, which talks about all expenses that go into elementary instruction, secondary instruction, pupil personnel services, which I don't find as useful as going in and talking about salaries, benefits, contracted services...that's a little bit more pertinent to where we're coming from.
 - ~ Cliff – It's important to note that the Career Ladder has nothing to do with our salary schedule this year. All it [Career Ladder] is, is a reimbursement from the State based upon the \$1.4 billion allocation from legislature and how they [SDE] get that out to [school] districts this year; it's a revenue reimbursement distribution formula, it has nothing to do with our salary schedule this year.
 - ~ We [District] start building the budget in February in our District; we start talking about enrollment, staffing, [and] programs and try to get a basis for how we [District] think next year is going to look. Obviously, that is very subjective with a lot of unknowns at that point in time. We finish up the budget in its initial format sometime around the middle of April based on the information we have at that time. The legislature didn't adjourn until after April Fool's day this year...we have to wait for them to finish what they do so that we [District] know what the appropriation is going to be from the State.
- Cliff presented the budget workshop information that was given during the April 28, 2015, Budget Workshop. *(The following is the corrected copy of the budget workshop information that was handed out to everyone during the workshop; with the exception of when one of the negotiation table members gave input or had a question; their [table] statement was inserted in the appropriate locations throughout this portion of the minutes.)*

Board of Trustees

REVISED

(To include the discussion during the Board Budget Workshop)

FY 2016

Budget Work Session

April 28, 2015

Agenda

- 1. Overview**
- 2. Enrollment and Support Units**
- 3. State revenue**
- 4. Federal revenue**
- 5. Other revenue**
- 6. Staffing**
- 7. Salary increases**
- 8. Benefit increases**
- 9. Professional services**
- 10. Supplies**
- 11. Liability insurance**
- 12. Net income**
- 13. Special Purpose Funds**

TRUSTEES PRESENT: Chairman Alexander, Trustee House, Trustee Reynolds, Trustee Checketts, Trustee Donahue

OTHERS PRESENT: Tim McMurtrey, James Gilbert, Cliff Ogborn, Sharon Whitman, Nikki Crusier, Karen Gordon, Jeff Johnson, Anita Straw, Marilyn Kellerman, Phil McCluskey, Rosemary Ash, Rich Urquidi, Albert Longhurst

Overview

This discussion describes the history and assumptions regarding the preliminary 2015-2016 budget. *This budget description explains the budgeting variables so that the Mountain Home School District Board of Trustees can give input, recommendations, and directions regarding the budget.* The final budget will change based on the workshop discussions and direction.

The revenue and expense discussions below are for activity in the General Fund (*Fund 100*). The General Fund is where the primary activity of the District occurs such as staff salaries, healthcare expenses, contracted services, general supplies, and liability insurance. Some expenses are paid for by special State or Federal Grants and are considered to be in "Special Revenue" Funds, not the General Fund. A brief description of Special Revenue Funds is at the end of this budget discussion. Within the General Fund, money that is not spent in any one year is kept in a Fund Balance (savings account) to be used in future years. The Fund Balance may be either restricted (dedicated to a particular use or purpose), or unrestricted (available for any need). The terms restricted and unrestricted are often referred to as Appropriated or Unappropriated. The budget is for the period beginning July 1, 2015, through June 30, 2016. This timeframe is called a fiscal year and is commonly indicated by the term FY. The timeframe through June 30, 2016, is FY 2016.

The General Fund gets its money from three primary sources, the first being the State Department of Education payments as appropriated by legislation, the second being the Federal payments for children who are connected with the military called "Impact Aid" revenue, and the third being the Levy approved by the citizens of Mountain Home in the Supplemental Levy; we are in the second year of the current levy.

The legislature implemented a change in their reimbursement methodology to [school] districts called the Career Ladder; *this has nothing to do with how we pay our staff; it's how the State pays school districts.* In essence, this replaced the education and experience placement table having 98 cells with a table having 13 cells, 3 cells for residents up to a BA degree, and 10 cells for staff holding a Master's degree. This compressed table is referred to as the Career Ladder, but has nothing to do with our certificated salary scale. While the State interpretation of how this looks is still being developed, I project an increase in funding of \$321,000. Included in this figure is the phony corner from previous years. Currently, this payment methodology is set to be the reimbursement model for instructional staff moving forward. The Career Ladder reimbursement model excludes the 11 certificated staff we have assigned to Pupil Personnel Services, Administrative, or classified reimbursement. These remain on a reimbursement table similar to last year's table.

We are still looking at a budgeted deficit Fund Balance of a negative \$623,000 from fiscal year 2015. This will need to be addressed in the near future by cutting expenses or retaining some of the increased funding.

From the three sources of revenue with the first being funding from the State of Idaho that will be increased in 2016; the second being the Federal Revenue (Impact Aid) budgeted at a decrease of \$175,000 from FY 2015; the third source is the Local Revenue (the Supplemental Levy) budgeted to remain the same as FY 2015. The Supplemental Levy is not due for a vote again until May 2016.

Expenses are categorized into seven major categories. Each category has subsets of accounts within them. The seven categories are salaries, benefits, contracted services, supplies, capital, insurance, and transfers. How the net amount of revenues over expenses will be split up between stakeholders will be a delicate balance and driven by the Board of Trustees.

- Cliff – based upon the State distribution schedule, a high school student gets the District more reimbursement than an elementary student, so you [school districts] not only have to forecast the enrollment for next year, and forecast the ADA for next year, but you [school districts] have to forecast what the mix of students [all the different grades] have within the District is going to be. Even though enrollment might stay the same, the ADA [might] stays the same, if the mix of students changes, than your [school districts] Support Units...what we're funded by the State...is going to change.

Enrollment and Support Units

In FY 2016, we are budgeting student enrollment at 3,870, which is a drop of two students from the FY 2015 school year. Richard McKenna Charter School is planning to open an elementary school and the loss of students this might create is not anticipated in this school year. If they take 170 elementary students in the future, this will be approximately 7.0 less Support Units for the District, 7.8 less teaching staff, as well as a financial reduction of a negative \$625,000. This is not taking into account if any of these students will be militarily connected and cause a financial reduction in Impact Aid. It is not anticipated to proportionately reduce our Special Education expense.

Enrollment dropped in FY 2015 by 33 students, in spite of what looked like a recent upturn trend in 2014 in student enrollment, *but Bennett Mountain High School student enrollment will increase from 65 students to 80 students.* Utilizing the current year's enrollment by grade and location, I am projecting no change in enrollment for the budget year over the current year. The current

enrollment with a projected attendance rate of 92.8% will produce 183.5 Support Units. This Support Unit projection is slightly less than the FY 2015 actual of 184.15 Support Units, due to the mix of students, the divisors by grade level, and attendance rate.

- Rich – what was that again [Support Units]?
 - ~ Cliff – 183.5
 - ~ Amy – ...over 185 this year?
 - ~ Cliff – 184.15
- Amy – how many high school students do they [RMH] take away from you [MHHS], do you know?
 - ~ Cliff – with BMHS opening up, many students are finding BMHS a better alternative to RMH. This year RMH had about seven (7) graduating students; BMHS had about 30...
 - ~ Amy – but it is hitting a unit [Support Unit] or so?
 - ~ Cliff – yes.
 - ~ Tim – it’s hard to calculate.
- Cliff – RMH gets more reimbursement per student than we [MHHS] do and they can count their online students even though the people they hire to teach the online courses...they don’t pay PERSI [State mandated] for them, they don’t pay insurance for them.

The number of Support Units is generated from the Average Daily Attendance (ADA) and unit divisors from Idaho Code. The unit divisors are basically an assumption of what an average class size is for the different grade levels, the higher the grade, the lower the divisor, and the more the number of Support Units per student. The number of Support Units is influenced by the mix of the students’ ages, as well as the attendance rate. Since Support Units are driven by ADA and not enrollment, a higher attendance rate yields more Support Units although the total enrollment may remain the same.

Bennett Mountain High School continues to grow and is retaining the students we would have lost in years past. Their divisor is the lowest in the District and their increased funding per *capita* is above any other school in the District. They are about at the maximum of their capacity this year.

Impact Aid students living on base are budgeted at 405 students, which is less than the FY 2015 actual of 433 students and more than the FY 2014 of 399 students. There is no indication that the on base “A” students would increase substantially in the near future. Housing on the base remains less than fully occupied, but newcomers still prefer living in the community. *We also have “B” students who are students living in town, but their military parents work on the base, and “C” students who are civilian and live in town, but their civilian parents work on federally owned property.* We transferred 32 students from off-base military to civilian status if there were both a civilian and military parent. This transfer maximized Impact Aid reimbursement. We are still short of the number of civilians by themselves to be counted separately without this transfer. If we lose the ability to count the civilians, this would be a financial hit to the District of close to a negative \$300,000.

Enrollment		Budget	Federal Survey Card day				
			FY 2016	FY 2015	FY 2014	FY 2013	2012
Enrollment							
Stephensen Elementary	1-3	175	176	175	176	184	
East	1-3	300	299	304	303	301	
North	1-3	240	232	259	266	283	
West	1-3	260	268	257	254	217	
	Subtotal 1-3	975	975	995	999	985	
Stephensen Elementary	4-6	55	49	66	45	45	
East	4-6	105	94	116	89	87	
North	4-6	85	78	87	77	99	
West	4-6	75	89	71	72	81	
HMS	5-6	580	593	567	576	547	
	Subtotal 4-6	900	903	907	859	859	
HMS	7	-	-	-	-	-	
Jr High		575	590	570	578	573	
Bennett Mtn		80	65	48	-	-	
High School		965	973	1,010	1,008	1,024	
	Sub Sec	1,620	1,628	1,628	1,586	1,597	
Kindergarten		320	311	320	308	310	
Pre-K		50	52	48	46	61	
Pine		5	3	7	6	6	
Total		3,870	3,872	3,905	3,804	3,818	

State Revenue

Revenue from the State is comprised from four sources. The first three sources are paid on five periodic State payments called “Foundation Payments.” The last State Revenue source is a periodic payment generally paid late in the year.

The first source of State Revenue is what is referred to as Entitlement (Discretionary Revenue), which is based on the total number of Support Units we generate. In 2015, the District received \$22,401 for 184.2 Support Units. This is still below the 2009 entitlement amount of \$25,696 per Support Unit. In FY 2016, this amount has been increased to \$23,868 per Support Unit. This is an increase of 6.5% or \$218,000. These funds are discretionary with no specific restrictions or implied usage regarding how they are to be spent.

- Cliff – when you [one] talk about discretionary money...that it is used for insurance, healthcare benefits...it's used for the surplus salaries that we [District] pay for...that the State doesn't allow funded through the allowance formula, [District pays] the FICA, [and] Medicare on those excess salaries, [District pays] utilities and things like that.
- Rich – is there something...you might get into it a little bit later...what is the total amount of entitlement [money] that we get...I know this is the increase [referring to the budget information document], what's the total.
 - ~ Cliff – for 2016?
 - ~ Rich – yes, is it on here somewhere?
 - ~ Cliff – no, it's not (*Cliff started to calculate what the total entitlement might be*); we get about \$3 million to \$3.4 million...somewhere in there [that range].
 - ~ Rich – thank you.
 - ~ Cliff – that's what's budgeted.

The second source of State Revenue is Salary-based Apportionment. Until FY 2016, all certificated *instructional* employees were considered in this calculation. In FY 2016, only the Pupil Personnel Services (PPS) staff members (*Psychologists & Counselors*) are used in this calculation. This source of revenue uses the number of Support Units, applies an arbitrary factor for the number of “staff” the Support Unit needs, multiplied by an arbitrary salary for each category of staff. The factor for the number and salary of the “staff” assigned to the Support Units are driven by Idaho Code. This is not what we pay our staff or *how we determine* how many staff we hire; it is just a way of equitably dividing the entire State Education Allotment to the districts based on common criteria.

- Cliff – this [removing PPS] is what caused all the consternation in legislature session, because they were switching over to a reimbursement based upon a Career Ladder concept. What the Career Ladder did was basically take a table that had 93 cells and shrink it down and forced them [certified instructional employees] into a table that has 13 cells...so they [SDE] took our existing staff and moved them into the 13 cells, and reimbursed us based on that...with the exception of the psychologists and counselors, they are still paid on salary apportionment...and administration are still paid on a salary based apportionment table. I'm not sure why psychologists and counselors have been taken out of the picture, other than the fact that they do not have kids [no set classroom], and I think they [SDE] are trying to find reimbursement for just that staff...that teachers...the kids.
 - ~ Amy – Cliff, did you find that when they re-gridded...removing those people from people personnel services...did it lower your index?
 - ~ Cliff – yes it did, because those [index figures] are genuinely higher.
 - ~ Amy – that has been happening around the State...that was one of those things that wasn't explained [by SDE]...shall we say...at the beginning.

Administration and classified have their own calculations similar to the one for Pupil Personnel Services (PPS). In FY 2016, the majority of the certificated *employees* are included in the Career Ladder calculation discussed earlier. The base reimbursement rate for administration increased 3% from \$32,151 to \$33,116, or \$23,053 total revenue increase. Classified base reimbursement increased 3% from \$19,249 to \$19,826, or \$39,384 total revenue increase. The PPS increased 3% from \$23,354 to \$24,055, or total revenue of \$11,425. The Career Ladder calculation increased revenue by \$321,360. Included in this number is the separate adjustment for the “phony corner” from which we received \$172,971 in revenue from last year.

- Rich – Cliff, so what is our salary-based apportionment from the State?
 - ~ Cliff – for budgeting for next year...I don't have that with me.
 - ~ Rich – can we...

- ~ Amy – ...I'm making a note [to get salary based apportionment from the State information]
- ~ Cliff – that was in the information that you requested [from previous negotiations meeting]...
- ~ Rich – ...do you have that...did you give it to me...
- ~ Cliff – ...they've [budget information documents] been waiting for you to pick up.
- ~ Rich – it would have been nice to get an email or something that it was there.

State Allocation Indexes		Budget FY 15-16	Actual FY 14-15
State Distribution Factor (Entitlement)		23,868	22,401
SDE Base Reimbursement to District			
	Administrative	33,116	32,151
	Certified	24,055	23,354
	Classified	19,826	19,249

Per Support Unit		State Allowance	State Allowance
	Certified	1.1	1.1
	Administrative	0.075	0.075
	Classified	0.375	0.375

The third area of revenue from the State is for Transportation costs. *The District used to be reimbursed 85% of the allowable transportation costs.* Idaho Code mandates a cap for transportation reimbursement of 3% of the statewide average expense for either per rider or per mile. The State disallows all expenses related to athletics and fieldtrips to leave only home-to-school expenses. The State now only reimburses 75% of those allowable *Transportation* Costs. If the District exceeds the 3% State average in both per rider and per mile, we would not be reimbursed for anything due to us above the cap. We are reimbursed for the FY 2015 expenditures in FY 2016, so we are always running a year behind in reimbursement of our expenses. We are currently over the State average for cost per rider, but are under the State cost per mile. This is due to the large area of our District, but sparse population. We compete against all districts in being under the State average regardless of whether they are self-operated or like us, contracted.

- Cliff – the other 25% [transportation costs] comes out of the discretionary money [General Funds].

The final revenue stream from the State is Other Revenue. This is money earmarked for special things such as Leadership Payments, remediation, classroom technology, advanced opportunities, Limited English Proficiency (LEP), lottery, and Professional Development. Leadership Payments are in addition to the salary dollars paid to certificated employees in which the certificated *employees* are eligible for by performing duties in a leadership capacity. These payments are made for specific purposes or reimbursements for restricted expenditures and are unavailable for General Discretionary use. The budget for other State support payments is listed below. I am comparing the FY 2016 budget against the FY 2014 actual budget since most of these payments are not made until the last foundation payment in July.

- Amy – is that the chart...
 - ~ Cliff – that's the list of them...
 - ~ Amy – ...a list of them...what the actual [20]14 and budgeted [20]16 is?
 - ~ Cliff – yes.
 - ~ Amy – it's very close to what it was...I assume that it's been fairly consistent to what it's been.
 - ~ Cliff – yes, they [Other Revenue Funds] do different things like Pay for Performance and then turn it into Leadership...it's tough to follow the logic.

Other State Revenue

	Budget FY 2016	Actual FY 2014
Lottery	75,000	75,267
Differential pay / Leadership	180,000	267,511
Medicaid reimbursement	358,000	348,200
LEP	35,000	32,151
High School redesign math/science	65,000	61,414
Remediation	60,000	53,230
Professional Development	110,000	43,915
Idaho Reading Initiative	25,000	33,871
All Others	47,000	26,545
Total	955,000	942,104

Federal Revenue

The number of students with military connections drives the Federal Revenue. This can include students whose parents work at Gowen Field or at the bombing range. Students are categorized into three groups, “A” students are students whose parents live and work on a military installation; “B” students are students whose parents work on federal property, but live in a civilian location; “C” *students are students* of non-military parents who work on federally owned “dirt” regardless of location. The District received approximately \$2,600 for each “A” student and \$522 for each “B” student for the 2011 fiscal year.

- Cliff – the volume of the [base] students has gone down due to the mix of staff [airmen] that are out there [airbase], the federal allocation has been dropping...the feds have not been allocating as much money into the Impact Aid program...there is things like privatization [of base housing]...they [military] tore out a bunch of housing units...so because there was no available housing on the base, the people are moving from the base to either Mountain Home or in Boise, so that’s [Impact Aid reimbursement] dropping from about \$2,600 to \$600 per person...to go from the base into town, and so that difference in funding has contributed to that [reduction of Impact Aid reimbursement].
 - ~ Cliff – when they’re [military] rebuilding the [housing] units on the base, they aren’t building as many as they tore out, so the occupancy on the base has dropped and from we’ve [District] heard, we should not expect any increase in subdivisions or staffing on the base ever again.

We also are reimbursed for civilians working on federal property on Impact Aid card day. These are parents who are civilian employees working on base, postal workers, National Forest, etc., who are working on federally owned (not leased) “dirt” on Impact Aid *Card* day. Although each civilian student has 5% of the financial value of a student whose parents live and work on the base, this group must be greater than 10% of enrollment or we are not allowed to count any of them. If we lose the students of federally connected civilians, it will impact us negatively by \$290,000.

- Cliff – the other thing we [District] are fighting with Impact Aid on is...if you [parent] live on the base, you have a weight of 1...\$2,600; if you [parent] work on the base, but live in town, you have a weight of .10, so you have a lesser reimbursement rate.
 - ~ Cliff – if you [parent] are a contractor that lives in town and works on federal soil, then we [District] get reimbursement a weight of .05, but we [District] have to have 10% of the enrollment being civilian or we [District] don’t get to count any of the civilians, so in the past two years, when I’ve had to send in that application, [Impact Aid] we [District] have had students of mixed...one spouse is a military (uniformed) working on the base, the spouse is a civilian working on the base or federal soil (*ex. post office, Boise National Forest, etc.*) what we’ve [District] done is taken those students out of the higher reimbursement (military) status and put them in the lower reimbursed civilian status, because we have to keep that civilian status up over the 10%, or we [District] will lose all reimbursement on the civilians...we’ve [District] been able to save our civilians for the last two years. If we lose our civilian count [Impact Aid] that is going to affect our reimbursement on “A” students, “B” students, and Civilians to a tune of about \$300,000. Unfortunately, we [District] don’t know that until we get the December 1 cards back in December.

For each student that moves from the base to town, we suffer a net revenue loss of about \$2,100. A history showing the number of military “A” students and federally connected “B” students is shown below. I am showing students by category budgeted for FY 2016 below.

Impact Aid has been a fluctuating source of funding over the past few years. The Impact Aid revenue has been as high as \$4,350,000 in FY 2005 to a low of \$1,275,000 in FY 2014. Some of the change is due to a decline in students; reduced Federal Program appropriations, privatized housing forcing *military families* to move off base, altered mission objectives, and reduced base staffing mix, have all contributed to the revenue decline.

- Cliff – there’s a number of reasons for the cause of this, one of them is the mission of the base has changed...it went from a bomber squadron, then a fighter squadron, then composite wing, then back to fighter...as those people [military] go through...you [there is] have a different volume of support staff with a fixed wing and a different type of people, where you [base] might have an older group of people doing maintenance on the aircraft who had children and now it young, generally single, pilots now flying that (don’t have children).
- Amy – lets back up...you’re [Cliff] saying it was \$4.35 [million] in 2005, and \$1.275 million in 2014...we’re just seeing a trend of ...
 - ~ Cliff – yes, it’s gradually going to be gone.
 - ~ Amy – you’ve [Cliff] budgeted it to be basically what it was in [20]14...well it’s a little higher then what you budgeted then...what it was in [20]14...I wanted to track the numbers.
- Cliff – last year’s budget was \$1.550 million and this year is \$1.350 [million], so we’re [District] budgeting a decrease to get more closely to what it [budget] is annual wise.

Payments from Impact Aid are spread out over a number of years. As of this session, our last year of Impact Aid that has been finalized and closed is from FY 2012. The payments are delayed due to application appeals, audits, and corrections that have to be addressed before the last of the payments are sent out. The payment amounts are not known until we receive a voucher announcing the year, and amount of the payment. We are uncertain of when the payments will be sent and even if a year that has been finalized, may be reopened. *The District was notified today (April 28, 2015) through a NAFIS letter stating that Impact Aid for FY2013 is anticipated to close sometime in in August 2015.*

- Cliff – they’re [Federal Government] running about three years behind in finalizing their [Impact Aid] fiscal years and all of the [Impact Aid] appeals.

Impact Aid		Budget	
Fund 100		FY 2016	
Membership	Weight		Oct-14
On-base military studen	1.00		
Membership		405	433
Ave daily attend		376	418
wted support unit		376	418
Off-base military studen	0.20		
Membership		550	605
Ave daily attend		510	584
wted support unit		102	117
Civilians working on bas	0.05		
Membership		329	334
Ave daily attend		305	323
wted support unit		15	16
Civilians working off bas	0.05		
Membership		50	57
Ave daily attend		46	55
wted support unit		2	3
Total 8003(b) military affiliation only		955	1,038
Non-military federal students		379	391
Total Impact Aid students rec funds		1,334	1,429

Supplemental Levy

The citizens of Mtn. Home voted to allow us to levy a General Maintenance and Operations Levy for \$2,700,000. This levy has to be renewed every 2 years and must be passed by the patrons with a **50 +1% 50%** approval rate. FY 2016 is the second year of the current levy authorization. This levy generates approximately 12% of our annual revenue.

- Cliff – so if you're [business owner] running a business...and do long range planning...and you're [business owner] not sure if you get 12% of your revenue every other year, that sort of hinders how you can do long range planning.
- Cliff – if we [District] do get surplus funds this year, should some of that money go to reducing the amount of the levy to the taxpayers of the community?
 - ~ Cliff – if the State is starting to increase its funding and we [District] went to the patrons with a levy to supplement the decrease back in 2010...when does that levy start to go away
 - ~ Luke – I think the levy starts to go away when the State starts funding school districts like they should.
 - ~ Cliff – I thoroughly agree with you [Luke]...I could spend weeks of how the State is not funding education, and [school] districts within the State are not getting equitable education, etc., but the fact of the matter is the community heard that the State is giving 6.9% more money [to school districts] this year, [so they may ask] why is my [taxpayers] levy the same.
 - ~ Amy – ...and I know Districts are going to hear that question.
- Cliff – what I'm afraid of is [that] at some point in time, the patrons will just say no...we aren't doing that [pass a Supplemental Levy anymore].
 - ~ Amy – historically...I know it [Supplemental Levy] has to run again in May 2016...what did it pass by last time?
 - ~ Tim – ...63%... maybe.
 - ~ Cliff – the patrons have been very good about supporting this [Supplemental Levy].
- Amy – when it [Supplemental Levy] was last increased, how much was it increased, and what was that [amount]?
 - ~ Cliff – it [First Supplemental Levy] started at about \$2.8 million and then dropped to \$2.7 million the last two levies.

Emergency Levy

We are not anticipating asking for an Emergency Levy for FY 2016.

Other Revenue

Other revenue is money we receive from all the smaller grants, interest, etc., that the District is involved in. The largest of the other category is Medicaid. We are billing Medicaid for the special needs services that are partially reimbursable. These funds are restricted to providing services and supplies for the special needs students in our District. We also receive indirect funds from Federal Programs. These indirect allocations are for the time, recordkeeping, and costs involved in administering the Federal Programs paid for with General Fund money. Another area of Other Revenue is interest income that we receive from our short-term investments in the State Investment Pool.

Staffing

Our salary scale for our administrative and classified staff is different in the rate we pay our employees and the number we employ than what the State uses to allocate funds to our District. We try to maintain staff in similar number to those generating the revenue, but our needs have historically outweighed the reimbursement. In FY 2015, our administrative staff was 14.15 FTEs (Full Time Equivalency) and the State allowance was 13.81 FTEs. This is based on the State allowance factor of .075 administrators per Support Unit. The certified staff was 199.0 FTEs and the State allowance was 202.5 FTEs based on the State allowance factor of 1.1 certified staff per Support Unit, and the classified staff was at 71.0 FTEs and the State allowance was 69.1 FTEs based on the State Allowance factor of .375 per Support Unit. *In reality, the school districts that were contacted were over budgeted in dollars and in staff in all the areas because it is not feasible to run a school district at the State allowance level.*

- Cliff – staffing...we're trying to hold staffing about the same as last year...the Assistant Superintendent (*James Gilbert*) [new Superintendent] is not replacing his position...we [District] are taking pieces of his job [Assistant Superintendent responsibilities and duties] and portioning them out to the remaining

administration staff [District Administration] (*as determined during the regular board meeting of Oct 21, 2014*).

In FY 2016, the State is moving away from the certificated allowance calculation. We are trying to utilize the staff in the most efficient manner based on the new enrollment by grade level in FY 2016. Our salaries in aggregate by category are higher than the reimbursements from the State. The excess salaries and benefits are paid for from the Discretionary Funds or Impact Aid Funds previously discussed.

Salaries

Salaries for the Administrative team are being held constant despite adding an Information Technology Director. Mr. Gilbert informed the Board during the October 2014 board meeting that he didn't plan to fill the Assistant Superintendent position. We have spread that workload among the other administrative staff. It is apparent that with the technology of today, an IT Director is essential to the operations of a school district. This director will oversee e-rate, internet connectivity, software contracts, hardware maintenance, technology training, and network management. For each 1% increase on the base of the administrative salary scale costs the District \$15,000 including benefits.

Certified staffing will be budgeted close to the State allowance and be adjusted as enrollment dictates during fall enrollment. For each 1% on the base, salaries would increase ~~\$150,000~~ \$100,000 *per percent* including benefits. Certificated staff will increase if enrollment increases during fall registration. Vacant positions are always held open in anticipation of reduced enrollment and filled as enrollment dictates. This creates a scramble at times for qualified staff at the last minute.

- Amy – 1% is \$150,000...ballpark...
 - ~ Cliff – yes, ballpark.
- Rich – I guess this question goes to Tim...so the 14.15 [number of administrators]...and the State gives us [District] 13.18, where is that extra part of that person?
 - ~ Amy – where's the body or where's the money?
 - ~ Rich – the body...working on that they [SDE] must be thinking that we [you District] have some less spot somewhere...that we [you District] didn't know where that person is...or part of that person...
 - ~ Cliff – (*explains*) there's no that "part of a person"...they [SDE] don't specifically identified it by position...what the allowance is...they [SDE] take the Support Units times 1.1, because they [SDE] figure it takes 1.1 teachers per classroom, and that's their number, and then we [District] provide a detailed listing to the State of what our [District] actual is and they [SDE] compare their gross number to our detail number.
- Terri – another question...when they [SDE] moved the psychologists and counselors [PPS] out...in the past that [PPS] was counted in the staffing allocation, because they [PPS] were a certificated staff, has that now changed?
 - ~ Cliff – I don't know...because with the Career Ladder posting...we [District] don't know yet how we're going to report up to the State on ISEE what the certificated staff is going to be...all they're [SDE] saying is this is how we [SDE] are going to fund it...we don't know how we're are going to report it.
 - ~ Terri – that's another huge hit.
 - ~ Amy – and when they [SDE] pulled them [PPS] out...was it 8.5% of...they took your old group, everybody with a certificate... your teachers...your PPS's...they [SDE] took 8.5% because apparently that was the statewide average...some have 0[%] and some have 15[%]...and that's how they [SDE] pulled that number out to divide it, so they're treating that 8.5% differently. I'll be curious to see how the State Department really treats it, because the statute says 8.5%, but if you [Districts] don't have 8.5% or you have more than 8.5%, how is that really going to work out?
- Luke – can we go back a second again Cliff? What was the number for 1%?
 - ~ Cliff – \$150,000.
 - ~ Luke – \$150,000.
- Cliff – so basically you [Association] have to keep in mind too, when the State says there is an allowance per Support Unit of 1.5 for certified, and .75 for classified, and .0375 for administration...those ratios were set over two decades ago, and I don't know any [school] District...certainly not this District...that

operates the same today as it [school districts] did 25-30 years ago...how ever long those allowances were set, but for some reason, the State doesn't seem to want to entertain changing those [ratios], why...I don't know., but maybe with the new superintendent we can get some movement on updating those allowances that are approved by the State.

- Rich – does the Board have philosophy on the reason why there is more they [Board/District] go over on the administrative [staff] and are below on the certified staff?
 - ~ Cliff – there is a use it or lose it criteria in that...they [SDE] said you [we District] can go 8.5% below our allowance and we [SDE] will still fund you [District] at the allowance...if you [District] go farther than that [8.5%], we [SDE] are going to fund you [District] on your actual [FTEs], so if we [District] go under a little bit on the allowance on our actual than what they [SDE] are allowing, we're able to take those funds and use them as basis for increases in the salary.
 - ~ Amy – it was something that came out of Charter School Funding...believe it or not...charter schools from day one [always] have the use it or lose it [criteria], and they didn't have a percentage...so say you [charter school] were allocated 200 teachers, a charter school would hire 170 [teachers], or whatever, and the difference, helped fund their [charter schools] General Fund. They [SDE] moved that into traditional schools two years ago, and now what they [SDE] do is...take 8.5% [SDE calculation] and you [school districts] can fund under that...that helps make up the differential in pay...quite frankly (*inaudible*)...but that number doesn't stay stagnate, it moves up or it moves down depending upon average classroom sizes...and that average classroom size report never came out when it was supposed to...I don't know if it has ever come out to be honest with you.
 - ~ Cliff – they [SDE] do have a listing of it now.
 - ~ Amy – it [report] was supposed to come out in April, but it never came out in April...no one ever saw anything, but that number...they're basically doing a formula where they [SDE] take classroom sizes across the State...in all honesty, that needs work too because Avery [School District] with 8 kids has got a much smaller classroom size than you [MHSD]...but that can move [number]...if your [MHSD] classroom size is too large in comparison to the State average classroom, the number of use it or lose percentage will come down...so that number can move from year to year.

Classified staff has an allowance factor of .375 FTEs per Support Unit. This is based on the number of hours they work divided by the State Department of Education full time hours of 1,380. We have several staff who work less than 1,380 hours per year. If a person works in excess of 1,380 hours, they cannot be counted as more than 1.0. FTE. For each 1% increase on the base of the classified salary scale costs the District \$27,000 including benefits.

Benefits

The State reimburses the District for PERSI and FICA on the allowable salary based on Support Units. Any PERSI or FICA on wages paid above the allowance is not reimbursed. As we exceed the allowance, we receive no retirement reimbursement. Although there is no increase in the above rates, if the salaries continue to escalate above the State allowance, there is no reimbursement for the retirement benefits related to those excess salary dollars.

Health Insurance is increasing at approximately 32% for medical premiums this year. We have had several claims this year that are reaching the \$125,000 *level*, and claims expense has exceeded premiums this year, which doesn't include our reinsurance or catastrophic premium that we have to pay, administrative fee that we have to pay, or the Obamacare tax that we have to pay. The State does not specifically reimburse the District for any portion of our healthcare premiums. The General Fund portion of our premiums without any increase for FY 2016 is budgeted at \$1,729,000. ***The increased cost to the District for FY2016 for health insurance is \$421,000, if the District picks up the increase to the healthcare cost, this is not included in this Net Income figure.*** The District also has to pay for Workmen's Compensation budgeted at \$110,000, Sick Leave Retirement budgeted at \$150,000, and Recertification budgeted at \$9,000.

- Cliff – we [District] have had several significant [insurance] claims this year, which has caused our claims...caused our premiums to be higher by 10-fold than what the average SIC [school district] increase has been.

Other Services

Contracted services are comprised of services performed by outside agencies to do the services we cannot do within the District. There have been several increases in contracted services over the past several years. We are still under contract with Cynergistic for the energy study contract for \$78,000 *until 2016*. This is offset by a reduction in energy saved, but we will not realize any net savings this year.

- Cliff – we [District] mainly have three categories of contract services...maintenance...fuel...and other expenses. We've [District] been looking at our contract services and seeing who we have hired for special education services, what services are they [contract services] are providing, and what alternative ways of providing that service currently exist...we're trying to reduce the surplus spending that we [District] are incurring [in special education] that other [school] districts are not. If we [District] are able to reduce those contract services that gives us [District] more money to put into other funds or other services such as salaries or benefits.

Mr. Longhurst is working diligently on reducing special education costs by \$145,000. We are also incurring contract services for special education needs through CPI and Contracted Therapists. We have been focused on how to provide the same required services for less. This focus will continue through next year and there is a budgeted reduction on these services in FY 2016 of \$145,000, from the annualized FY 2015 expenditures.

- Cliff – the problem that we're [District] running into is...I think we're going to have a fight with the SDE on the Maintenance of Effort Component [the financial cost to Districts of the State and Federal mandates of services provided to special needs children from the General Fund and not Special Education Funds] because there are only two exceptions that the SDE and the Federal Government allow to reduce your [Districts] special ed spending; one is that there is a very expensive singular child that leaves the program [special education]...then you [District] can reduce your Maintenance of Effort requirements.
 - ~ Cliff – the second [exception] is if there are staff that leave the [special education] department, then you [District] can reduce your Maintenance of Effort spending...but if you [District] have [example] 15 one-on-one behavior interventionists [contracted services personnel] that are doing 8-hours a day for one-on-one [services], and you [District, logically] say why don't we [District] take these eight] kids [individual special needs students] and put them into a group setting for an hour or two a day...and change [become fiscally responsible] the way you're [District] applying the special ed services, the SDE and Feds don't agree that is a reduction in your requirement for Maintenance of Effort spending.
 - ~ Cliff – ...so if you [District] save money over here [reduction of contracted services by combining special needs students into a group setting], theoretically, they [SDE and Federal Government] are going to withhold Federal Funds to make up for you [District] should have spent either on a per student or aggregate basis. We're going to be working pretty hard this summer to figure out what's going on...meet with the SDE, because there's got to be a way to reduce expenses without short-circuiting or cutting the services being offered.
- Amy – if I recall...one of the only few things you [Cliff] told me before we're sitting here today was that you [District] get \$800,000 in special ed...ballpark.
 - ~ Cliff – there's bits and pieces of special ed...we [District] get \$800,000 from the Federal Government for special ed services. We [District] spend that \$800,000 [special education funding] every year plus...then on the General Fund side, we [District] spend about a little over \$3 million out of General Fund money to do things like speech therapy, occupational therapy, CPI workers, etc.,...[special education services] things like that.
 - ~ Amy – so you're [District] about \$3 million over...that's coming out of the General Fund.
- Rich – I have a quick question back on the Other Services...so that Cynergistic...so they are still under...did that save the District any money...to have someone to come and change everything...did we legalize an actual...
 - ~ Cliff – ...the money that we [District] saved was a tradeoff for...to pay them for their contract services...for the first three years, it was about a wash...and the idea being, this is a long-term benefit

to the District...but in the first three years...it would be about a wash...so when we [District] get out of the contract arrangements with Cynergistic then we [District] will have freed up about \$78,000 in contract services that we don't have to pay anymore...but we are realizing some of the benefits [money saving] in the energy savings.

Transportation is budgeted at \$1,052,000 for the pupil to school expenses.

Utilities continue to increase and total utility expense is driven not only by cost but also by weather conditions. Total utilities are budgeted at \$570,000 for heat, power, and water for FY 2016. **Mr. Ogborn was going to budget utilities at a higher level, but with the energy conservation program and the hopes that Idaho Power would not increase rates, he backed the budget down to a zero percent increase for 2016.** This past year has had record high temperatures in February and March, and if FY 2016 is a normal year, we may exceed the budget in this category. **Chairman Alexander stated that backing down the budget for utilities is unrealistic, but we can discuss this later. Mr. Ogborn replied that he was being hopeful. Discussion began about utilities and the fluctuation of utility rates. Mr. Ogborn stated that he would revise the budget for the anticipated utilities increase.**

Contracted Services

	Budget FY 2016	Budget FY 2015	Actual FY 2014
Utilities	570,100	601,500	595,974
Transportation	1,052,000	1,052,000	1,080,574
Contracted Services	1,225,600	1,349,800	1,817,422
All Other	459,300	442,700	476,999
Total	3,307,000	3,446,000	3,970,969

Supplies

There are three main areas of Supply Expense. First, the maintenance has increased over the years as more of the building repairs have fallen on the General Fund to cover the repairs, which was once covered by the Plant Facility Levy. **Mr. Ogborn explained that he budgeted slightly less in maintenance this year with the anticipation of the Plant Facility Levy passing in August 2015, and some of what is covered under the maintenance supply would then be covered by the Plant Facility.** I am budgeting a zero percent increase over the FY 2014 actual costs in FY 2016.

*****NOTE: Mr. Ogborn informed the Board that the anticipated Plant Facility Levy must be budgeted on the Published L-2 (Published Budget) even though we are not going to the patrons until August for approval, because if he didn't include it in the Published Budget, the District would not be able to levy for it. If it is in the Published Budget and we don't get the levy approved, he can go back and have the levy amount removed from the Published Budget, but he cannot add the levy amount in after the Published Budget. Chairman Alexander said that this information needed to be emphasized because this is something that our patrons do not understand must occur and that is the reason it is in the Published Budget, it's not because we already received the money, it's because we have to project it as if we did. Mr. Ogborn added that he didn't want patrons to think him presumptuous, that the District would just put the Plant Facility Levy money on the Published Budget anyway, but that it is just a formality and that the District would still ask for the patrons' permission to levy the amount.**

Second is fuel for student transportation and district vehicles, which is dependent on the price of diesel and gas during the year. We are required to maintain bussing routes for safety issues and for **those** students living outside a 1½-mile radius from their school. A portion of this is reimbursed and reflected in the revenue piece of the financials.

Third is the "All Other" category, which in addition to supplies and such also includes paper costs for the schools. Students require a tremendous amount of paper in their time at school with an estimate of 17 sheets of paper per student per day. This per student usage includes all consumers of paper for all reasons.

Supply detail

	Budget FY 2016	Budget FY 2015	Actual FY 2014
Maintenance	136,000	111,000	140,045
Fuel	171,000	195,000	153,537
All other	183,000	186,000	192,897
Total	490,000	492,000	486,479

Liability Insurance

We ask our insurance broker to assess the market each year to get the carrier with the lowest premiums. Even with that effort, insurance keeps rising not because of our claims history, but the increase in risk caused by other companies' claims. We have raised our deductibles to \$5,000 to reduce premium costs. When we have a claim, some of the unreimbursed damages offset the reduction in premiums obtained by raising the deductible. Liability insurance is budgeted at \$176,000 for FY 2016.

Transfers

Transfers were budgeted in FY 2016 for Food Service Benefits, which are required by law. We have to transfer revenue into the Food Service Fund for the FICA and PERSI benefits of our food service personnel. This is a federal requirement. The transfer shows as an expense in the General Fund of \$45,000.

- Amy – before we move on, may we back up a page to page 10...there was a whole category of supplies...we [District] have Transportation [costs] at \$1.052 million, and then we have utilities...that was what you were talking about with energy savings...right?
 - ~ Cliff – yes.
 - ~ Amy – ...in the supplies...what is this category [All Other]?
 - ~ Cliff – the supply category...those are the supplies that are consumed districtwide...the biggest piece of that...to be honest with you...is the paper we [districtwide] consume. Years ago, I talked to a copier company and they said that in the school districts you [Districts] could figure about 17 pages per student of paperwork per...
 - ~ Amy – ...per day
 - ~ Cliff – ...per year...wait...it's got to be per day.
 - ~ Terri – ... that's pretty low.
 - ~ Cliff – ...it's per day...we go through cases and pallets of...
 - ~ Amy – ...trucks and trucks of paper...in our paperless society.
- Rich – and a lot of that is making up for...it's coming back from textbooks...it's give or take whether they [District] want to spend the money in having textbooks or spend it...
 - ~ Amy – ...and that makes sense because you [school districts] have a lot of textbooks for a while...curriculum changes...so you have more consumables that you are handing out...I get that...17 sheets per day.
- Cliff – we're [District] looking at ways to try to cut the costs on that...we [districtwide] just upgraded our copy machines...they are supposed to be able to do a cheaper copy than the Xerox [copiers]...
 - ~ Amy – ...it is what it is...
 - ~ Cliff – ...it is what it is...
 - ~ Rich – ...you [District] have to run a school...
- Amy – this is the important thing about the children having the education provided...sorry [back to Transfers discussion].

Net Income

The above assumptions yield revenues in excess of expenses for FY 2016 of \$576,000, without any increase budgeted for healthcare or salaries. Healthcare is expected to cost \$422,000, with the current estimate and a 1% increase in salary is expected to cost around \$142,000. We will ask for direction from the Board of how to distribute this revenue. The *four* options are *to possibly reduce the levy*

amount to the patrons or request a lower levy amount next September, reduce the deficit fund balance (auditors recommend a 6% Fund Balance), give raises to staff, and/or pay for the increase in healthcare.

When the independent auditor would present the final audit report, they recommended that we should have a reserve, or rainy day fund, of 6% of revenues. This reserve would be Board restricted for emergencies and released only through Board action. Unfortunately, since the funding fell out of the education system in 2009, this has been only a discussion. The goal of this District should be to commit to build a reserve and control expenses until that 6% figure has been achieved.

- Cliff – we [District] currently have a negative fund balance...we are currently overdrawn by \$625,000. Our auditors every year have gone to our Board and recommended that we [District] have a 6% positive fund balance for operations, emergencies, and cash flow.
- Amy – you [District] don't have any new bonds that are coming that will kill you on...that's a bond issue too...your bond rating...
 - ~ Cliff – ...oh yah...
 - ~ Amy – so you would have no bond rating.
- Cliff – we [District] would have to utilize the State of Idaho's bond rating, which a lot of [school] districts have done...but that \$576,000 profit...and I know I'm not supposed to use the "p" word...reflects zero (0) increase in salaries...zero increase in healthcare. Both of these items are brought to the negotiation table to see if we have this much money available...how much of it [fund balance] goes to pay the deficit from prior years...how much of it goes to relieve or reduce the levy to the patrons [taxpayers]...how much goes to salaries...and how much goes to healthcare.
- Cliff – are there any other questions about the General Funds?
- Amy – the \$576,000...you would be in the black with expenses flat?
 - ~ Cliff – no.
 - ~ Amy – no...explain that.
 - ~ Cliff – if we [District] had a profit of \$576,000...we got a deficit of \$625,000, so even if we spent nothing on salaries, no increase in healthcare, no reduction in the levy, we would still be in the hole by the end of 2016 by about \$50,000.
 - * Cliff – what worries me about this [deficit]...the State of Idaho has an oversight authority within the [school] Districts and they [SDE] don't like [school] Districts running in the red...we [MHSD] were running in the red in [20]14, we were running in the red [20]15, and some point in time, if we don't get out of the red, they're [SDE] going to come knocking on the door and ask what provisions do we have to bring this District back to a profitable status.
 - * Cliff – last year there were a couple of hiccups to cause us to go about \$400,000 in the hole...one was a significant increase in unbudgeted Special Education Services, there was a ...I want to say a ...psycho-social rehab component that caused about \$500,000 increase in Special Educational Contract Services, also the Impact Aid continued to fall below what we [District] had budgeted for. Those two items constituted the reason for us [District] to be farther in the hole in [20]14 than what we had been in [20]13.
- Amy – let me ask a question...are you [Cliff] just really good at covering [handling] cash flow...or how are we [District] covering [handling] the deficit.
 - ~ Cliff – I've...
 - ~ Amy – I've heard both answers...it's okay...
 - ~ Cliff – to answer your first question...yes, I'm really good [fiscally responsible]. To answer the second question, I'm going out to banks...looking at banks that will give us [District] short term funding because our July payroll is always tight on a good year and if we don't have a cash flow coming in from any other resources, we will probably have to a borrowing in July to cover the payroll.
 - ~ Amy – you're not the first business manager to tell me I can't make payroll...that's okay.
 - ~ Cliff – I know that...we [District] also are looking hold our Accounts Payable checks [bills] until after the August payment...

- ~ Amy – ...you're good at cash flow.
- ~ Cliff – ...I'm good a cash flow...it irritates the vendors [whom we owe money] and it's not fair to the vendors...we [District] can hold Accounts Payable, we cannot hold paychecks.
- Amy – let me ask another question...this is what Nampa did...they took out short-term loans...in talking to the banks, have you [Cliff] gotten any clue on what the terms will be...how much money are we [District] having to pay to borrow money?
 - ~ Cliff – I haven't gotten there yet. I have talked to Wells Fargo, they have been our banker for the last 20 years...they wrote me back a short email saying that due to the state of your [MHSD] financial conditions, we are not able to give you any short-term loans...do you have any other options. I wrote them back and said none without a gun...obviously that's an interest expense that we [District] may be incurring...how much of a cash flow shortage are we going to have...I don't know, because payments keep coming in June, July. I do know what our expenses are going to be for June and July, but I don't know...like Impact Aid...how money and exactly what part of August is that going to come in on.
- Terri – Cliff at the board meeting the other night, you talked about a certain figure...or am I just dreaming that...did you share with the board members a certain amount that you were seeking to borrow in this short-term loan?
 - ~ Cliff – the payroll is about \$1.2 million each month, so I would be asking for a short-term loan up to \$1.2 million...depending upon the cash position of the District and prior to the transfer of funds for that.
 - ~ Terri – and then the funds flow again in August...correct?
 - ~ Cliff – then we get a huge payment from the State in August
 - ~ Amy – but we're [District] stealing from August to pay for our...
 - ~ Terri – ...right
 - ~ Amy – okay...we're stealing from Peter to pay Paul...
 - ~ Rich – ...just like we all do.
 - ~ Terri – thank you...
- Cliff – if there are no other questions on the General Fund...I would like to review the Special Funds briefly.

It has also been several years since the staff has had an increase on the base of their salary scales. The State and the legislature have put money into salary disbursements in an attempt to raise the salaries of staff throughout the State. We have some amazing employees in our District and have to remain financially competitive with the surrounding school districts to attract and retain good staff.

Mr. Ogborn stated that it would be nice to reward our employees for the work they do. We are doing amazing work and turning out amazing students and this could be accomplished without the great work of our staff and of our support staff all the way from the superintendent down to our custodian is involved with getting our seniors to the high quality level. Trustee House added that the monthly building presentations are proof of the great work our staff do daily, producing students at a highly capable level and that we have a good educational program. Chairman Alexander stated that from a moral standpoint, it is really tough to be stuck in a dead-end job and being told that there would be no pay raise, and that they might possibly have to take another pay cut. He thinks it's important to put some money on the salary base.

We currently exceed in salary expense what the State infers we receive in salary through the salary based apportionment calculation. The Career Ladder is a radically different way to calculate apportionment to the Districts and we will see how this plays out in the coming year. Some Districts are leaning toward converting their salary scales to emulate the Career Ladder structure.

The funds, although intended to go toward salaries, may need to be utilized to offset the increase in healthcare premiums. We are currently lower than similar Districts in our premiums up to this point. One option is to have employees pay a portion of their single coverage. This is common in other districts; however, it would put a higher burden on the classified staff members who earns a lower salary. A fixed employee contribution amount for single coverage is a larger percentage of their gross income than certificated staff.

The levy to the community may be lowered if the State is starting, although minimally, to increase funding. We are still below the FY 2009 State funding level. The District relies heavily on the levy revenue and should start to lower the levy amount as the State increases

it's funding. It will still be years before funding from the legislature raises to a level where we are no longer dependent on the local patrons to pick up the slack that the State of Idaho should be funding.

Below is the current income statement for the District without any budgeted increase in healthcare or salary. We will be discussing with the Board how the revenue should be distributed. Although the funding from the State has increased, a drop in budgeted Impact Aid has offset about 20% of the increase from the State. Revenue continues to be inadequate to fill all the goal and needs of the District. We are continuing to be frugal with the expenses and continue to look at reducing costs wherever possible.

That is the current situation based on the evidence and assumptions detailed above. I welcome any input and direction from the Board on refining any of the previous items.

General Fund		
PRELIMINARY		
Mtn Home School District #193 Income Statement Fund 100	Proposed Budget FY 2015-2016 6/30/2016	Prior years Budget FY 2014-2015 6/30/2015
Revenues		
Local Revenue	47,000	69,500
County Revenue	2,760,000	2,760,000
State Revenue (inc. rev in lieu of Taxes)	17,093,000	16,394,000
Other State Revenue	955,000	927,000
Federal Revenue	1,375,000	1,550,000
Earnings on Investments / other rev	8,000	7,500
Transfers	35,000	35,000
Total Revenue	<u>22,273,000</u>	<u>21,743,000</u>
Expenses		
Salaries	13,166,000	13,021,831
Benefits	4,499,000	4,577,169
Purchased Services	3,307,000	3,446,000
Supplies	490,000	494,000
Capital	14,000	14,000
Other	176,000	140,000
Transfers	45,000	45,000
Total Expenses	<u>21,697,000</u>	<u>21,738,000</u>
Revenues over (under) expenses	<u>576,000</u>	<u>5,000</u>
	FY 14 audited Fund Balance	(645,027)
	FY 15 budgeted net income	5,000
	FY 15 est ending Fund Bal	(640,027)
	FY 16 rev in excess of exp	576,000
	Budget FY 16 Fund Bal	(64,027)

Special Revenue Funds Special Purpose Funds

Below is a brief discussion of all of the Special Revenue Funds that are outside the scope of the General Fund as discussed above. These funds are either Board restricted or whose use is restricted by either State of Federal regulations.

Federal Forest Funds (Fund 220)

These are funds that we received through the Craig-Wyden Act in lieu of the funds we would have received had the logging restriction not been imposed. We also receive Department of Defense money that is placed in this fund. The Federal Forest Funding has been cut drastically. In FY 2014, we received \$213,000; in FY 2015, we received \$20,000. The money from the Department of Defense was not appropriated one year, so it is now a year-by-year option. This fund is restricted by the Board for technology purchases that include software, internet, and hardware replacement. We replaced half the computers in the school district one year at a cost of about \$480,000. The other half is scheduled for replacement in FY 2016. *Chairman Alexander added that this is woefully inadequate for what we need regarding technology and this is the only fund we have that we can use for technology, not to mention that it is rumored to disappear soon.*

- Cliff – what I've heard is that our senators are going to go back [D.C.] to try and get that [Impact Aid] to re-appropriated, but until I see the money in the bank...I don't believe it's going to be re-appropriated because it's for a very specific groups of states...and to be honest with you...the people east of the Mississippi don't really care about our Forest problems, so those funds are going away. Those funds are

dedicated to technology...computer replacements...this last couple of years ago; we had about \$500,000 in computers that we paid for out of Federal Forest savings...and so the Board has designated those to be for technology, bandwidth, internet, computers, and not available for computers.

Drivers Education (Fund 241)

This fund received its funding from two sources. One source is student fees, and the other source is the State of Idaho. The State caps its reimbursement on the lesser of costs in excess of student fees, or \$125.00 per student. All funds are restricted to this fund for Drivers Education expenses only.

- Cliff – [Drivers Education] is self-funded...the way the State has arranged this is that we [District] charge the student first and then the State pays us at the lesser of what the expenses are that are not reimbursed by the student or \$125, whichever is less, so the State has capped their liability in reimbursing this [expense], so the best we can do is break even. We try to save up a little bit of money each year to purchase a newer used vehicle about every two or three years...or so.

Vocational Education – State of Idaho (Fund 243)

This fund receives money from the State of Idaho for the vocational classes at the high school and junior high. It is used to pay for salaries and benefits of the additional duties of the staff, as well as equipment used in class. These funds help with the welding and automotive classes. These funds are restricted for the vocational classes only for purchases above the normal classroom costs. We budget this to spend all the money received each year and be at zero at the end of the year.

Technology Fund (Fund 245)

This fund is used to pay for some salaries and equipment. The State of Idaho makes payments to assist with technology in the classroom. The money can be used for several purposes, but it has to be technology driven. We are paid based on the number of Support Units in the District. We budget this to spend all the money received each year and be at zero at the end of the year.

- Cliff – is a small amount of money from the State to pay salaries and equipment dedicated to technology...it has to be technology driven...technology based. We're reimbursed so much per Support Unit.
 - ~ Terri – okay...before you [Cliff] leave that fund [technology], I just hear you say that the Board had allocated all of the Federal Forest Funds for Technology, so I understand the salaries coming out of the Technology Fund...tell me what equipment also comes out of that...if there's that shift.
 - ~ Cliff – if there's any equipment...if they [IT] need monitors, if they need small items that can come out of here. If the...the Federal Forest Fund is more towards the annual contract for the internet service, for the more bigger the dollars items...
 - ~ Amy – ...that you [Cliff] said was \$20,000...that's not many big-ticket items there for Technology...is it like the internet, the...
 - ~ Cliff – ...right, the Technology Fund...and I'm shooting from the hip here...you may be talking about \$40,000...I mean it doesn't even pay for a person, but it's dedicated for its own separate fund...but it's mainly the small items staff needs in their day-to-day operations...
 - ~ Terri - ...and it's designated for its own separate fund by the way the revenue comes in and it's directed towards...
 - ~ Cliff - ...by the legislation...the legislators have apportioned it...
 - ~ Terri - ...thank you, that will make sense to me...

Safe and Drug Free School Fund (Fund 273)

This fund is used for security purposes within the District. Vandalism has cost the District thousands of dollars of *unreimbursable* damage. We are looking at purchasing an updated security system for the high school, but the payment each year will only pay for a fraction of the cost of the desired system. This fund is restricted for security purchases only.

Title I-Basic (Fund 251)

This is a Federal Fund to assist children in the schools with reading improvement. The money can be used for salaries and benefits and other costs related to reading improvement in the schools. Restrictions apply as to how the funds can be used, how much any school is allotted, and whether a school is eligible to use the money. 10% of the money in one year can be carried over to the next year if needed,

but any deficits must be reimbursed from the General Fund. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2015, we received a grant of \$831,058.

Migrant Education (Fund 253)

This is a Federal program with the money being restricted for the betterment of migrant children. We currently use this fund for staffing costs and training of staff that assists Hispanic children and their families. This fund is restricted for migrant education purposes only. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2015, we received a grant of \$41,763.

- Cliff – we have one part-time para that is currently being charged [paid] into that [Migrant Education].

Title I-D (Fund 255)

This fund is a federally restricted fund and a part of the Title I Program described above. The money for this is administered by the District, but is restricted for use by the Sequel TSI Therapeutic Residential Treatment Center for adjudicated and non-adjudicated adolescent males, ages 10-18 years of age, with sexually maladaptive behavior that is located up on the hill for the betterment of their students. The District has to have administrative oversight as the public LEA in which the school resides. We work with Sequel and reimburse them for the expenses they incur within the Title I regulations for their students. This money is restricted for Sequel use by the Federal Program. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2015, we received a grant of \$37,095.

IDEA School-age (Fund 257)

This is a federally restricted program to reimburse the expenses above and beyond normal classroom expenditures for children with special needs. This fund is flexible in the category of expenses, but they must be above and beyond what is normally spent for a child. This fund is restricted for special needs staff and expenses only. This fund allows 15% of the money in one year to be carried over to the next year if needed, but any deficits must be reimbursed from the General Fund. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2015, we received a grant of \$769,090.

IDEA Pre-school (Fund 258)

This fund is a federally restricted fund for the purpose of identifying special needs students and providing services to them before they enter kindergarten. This fund is flexible in the category of expenses, but they must be used for special needs services for children younger than school age. This fund is restricted for special needs staff and expenses only. This fund allows 15% of the money in one year to be carried over to the next year if needed, but any deficits must be reimbursed from the General Fund. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2015, we received a grant of \$40,903.

Title III Federal LEP Language Instruction (Fund 270)

This is a federally restricted grant to provide services and reading improvement to English Language Learners (ELL). We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2015, we received a grant of \$15,986.

Teacher and Principal Quality (2A program) (Fund 271)

This is a federally restricted grant to provided Professional Development to staff. This grant allows 25% of the money in one year to be carried over to the next year if needed, but any deficits must be reimbursed from the General Fund. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2015, we received a grant of \$167,333.

- Cliff – this is where we [District] had [in the past] used some of the funds to pay for [additional] staff to reduce class size...to try to get more teachers in the in the [school]...try to get the class size down...the Federal Government changed the criteria for that, they [Feds]] said in order to that [pay for], it [to qualify for] has to be a student teacher ratio of less than 18 [students per teacher]...it had to be that way for two years...and that same group of kids had to stay together in that elementary program...so they [Feds] made it pretty much unattainable to pay for staff out of that program. They [Feds] changed those criteria so that anything that qualifies as a Title I expenditure then is being allowed to do for teacher and principal quality.

P-L 874 Fund (Fund 279)

This fund gets its revenue from payments on the Impact Aid vouchers. The revenue for Special Needs students is placed in this fund and the salaries and benefits of the staff who educate these students are charged against this fund. All expenses are restricted for the services provided to special needs students. Trustee House mentioned that at one time, the airbase had more special education students than in town, and then asked for clarification on the numbers of special education students at the airbase. Mr. Gilbert replied that proportionately, the airbase has a higher percentage of special education students. Mr. Gilbert along with Mr. Longhurst replied that the

airbase has 20% of its students are special education students, whereas the town only has 12% of its students who are special education students.

Bond Fund (Fund 310)

This fund is where the Bond Levy taxes from the County are placed to pay the Debt Service Payments on the Junior High School bonds. The Bonds will be paid off this June (2015). This fund is restricted for the payment of the interest and bonds that are the obligations of the District. The bond for the construction of the Junior High School is *scheduled to* be paid for this August (2015).

Plant Facility Fund (Fund 421)

This fund is where the Plant Facility Levy taxes from the County were placed to pay the construction, renovation, and equipment needs of the District. This levy was not renewed by the patrons of Mountain Home. This fund is restricted for the purposes outlined in the levy ballot at each taxpayer approved levy election. I will be budgeting \$1,000,000 in the Plant Facility Fund for the levy vote anticipated in August 2015. If this amount is not budgeted and the levy is approved, we cannot levy the money this year. If the levy is not approved, I will amend the budget and remove this amount.

- Cliff – this is interesting because this is a Plant Facility that is dedicated for equipment and repairs to the existing structures that we have here. We have made no secret of the fact that we have a roof that is going to hell in a handbasket at HMS; there are a lot of other issues that need to be upgraded within the District. We did have a Plant Facility Levy for about 31 years ...or something like that...and three years...four years ago they [patrons] did not renew that Plant Facility Levy. So we've [District] been trying to patch the buildings together along with the existing staff [maintenance], but we can't afford to bring \$600,000-\$700,000 out of General Funds to do building maintenance and repairs, so in this budget we have put in \$1 million for the plant Facility Fund...we [District] are not presumptuous enough to assume that the levy is going to pass in August...there is still a lot of work that we [District] need to do... a lot of communication with the community to educate them about the need for this levy that we need to do to pass this levy.
- Cliff – the way that the State and the State Tax Commission works is if the [Plant Facility] levy isn't included as part of the [District] published budget [in the State mandated timeframe], then if the levy does pass, we cannot invoke the levy, because it was not part of the original published budget. You [School Districts] have to publish it [budget] under the assumption that it is going to pass, then if it doesn't pass, you [School Districts] can amend the budget and take it out, but you cannot amend the budget and put it in without going through another hearing process.
 - ~ Amy – so it's in the budget as if it has passed?
 - ~ Cliff – yes, contingent upon it passing...
 - ~ Amy – I'm assuming it's a million dollar figure...yes, it's a round figure...I get that, but I assume it's based upon a roof and a few...a what you have as a projection of costs.
 - ~ Cliff – yes, we [District] will have an identified listing of equipment and buildings that need to be upgraded with that money, so the patrons are going to be able to see right down the line...if we [District] have \$1 million a year for five years, where is that money anticipated to go. You [table] and I both know that if in three years [example] we're going to plan to replace the \$60,000 lawnmower, and the water [pipes] breaks in the library of the junior high [school] (*small talking over recent events of water pipe break*)...that [fix pipes and roof] takes priority over the lawnmower...so there's going to have to be some give and take, but at least (*gesturing showing everyone a printed list*) here's the plan over the next five years [list for taxpayers].
- Amy – one other thing that that page [Expenditure] taught me that I didn't realize...because I kept thinking why are their (MHSD) Special Education costs so high...but seeing the percentages and the numbers [number of special needs students in the District], I now totally get it...because at first I thought that's really huge...but if...you're above the State average...
 - ~ Terri – ...12% of our [student] population...
 - ~ Amy – ...12% of your [MHSD] in town [student] population and 20% of your [Mountain Home Air Force] base [student] population...you have a very significant Special Education [student] population...I understand where \$3 million has gone.

*****NOTE:** (refer to the Supplies bullet for a detailed explanation of why the anticipated Plant Facility Levy money had to be included in the Published Budget.

Mr. Ogborn reviewed the “Other Funds” budget sheet that follows and that the anticipated Plant Facility Levy was included. (refer to the Supplies bullet for an explanation.)

MOUNTAIN HOME SCHOOL DISTRICT #193
Other Funds detail
Budgeted June 30 2016

FUND DESCRIPTION	100 General Fund	220 Federal Forest	241 Drivers Education	243 State Vocational Ed	245 Technology Grant	251 Title I	253 Migrant	255 Title I-D Delinquent	257 IDEA School-age
FY 2016 BUDGETED REVENUES									
Local Sources	47,000		37,000		-				
County Sources	2,760,000		-		-				
State Sources	18,048,000		22,000	78,000	130,000				
Federal Sources	1,375,000	225,000	-			811,000	49,000	50,000	850,000
Other Sources	8,000								
TOTAL REVENUE	22,238,000	225,000	59,000	78,000	130,000	811,000	49,000	50,000	850,000
Transfers in	35,000								
TOTAL REVENUE AND TRANSFERS	22,273,000	225,000	59,000	78,000	130,000	811,000	49,000	50,000	850,000
FY 2016 BUDGETED EXPENDITURES									
Salaries	13,166,000	-	45,000	45,000	60,000	600,000	24,000	9,000	520,000
Benefits	4,499,000	-	8,000	8,000	18,000	174,000	7,000	2,500	150,307
Professional Services	3,307,000	50,000	-	6,807	60,000	38,101	4,500	6,000	-
Supplies	490,000		3,000		5,348		6,100	6,000	
Capital	14,000	500,000	10,000	25,000	137,000			6,957	
Other	176,000								
TOTAL EXPENDITURES	21,652,000	550,000	66,000	84,807	280,348	812,101	41,600	30,457	670,307
transfers out	45,000					20,000			15,000
TOTAL EXPEND & TRANSFERS	21,697,000	550,000	66,000	84,807	280,348	832,101	41,600	30,457	685,307
Excess Revenue over exp	576,000	(325,000)	(7,000)	(6,807)	(150,348)	(21,101)	7,400	19,543	164,693
FY 2014 Fund Balance	(645,027)	545,402	21,560	8,207	150,348	21,101	(7,399)	(19,543)	(164,693)
FY 2015 budgeted Rev over Exp	5,000	-	(9,750)	(1,400)	-	-	-	-	-
estimated FY 2015 Fund Balance adjustments	(640,027)	545,402	11,810	6,807	150,348	21,101	(7,399)	(19,543)	(164,693)
Ending FY 2016 estimated Fund Balance	(64,027)	220,402	4,810	-	-	-	1	-	-

FUND DESCRIPTION	258 IDEA Preschool	262 Rural Schools 0	263 Carl Perkins Vocational Ed	270 Title III LEP	271 Teach & Prin Qual	273 Drug-Free	279 PL 874 Special Ed	290 School Lunch
FY 2016 BUDGETED REVENUES								
Local Sources								415,000
County Sources								-
State Sources								-
Federal Sources	44,000	115,000	45,000	16,000	167,000		80,000	750,000
Other Sources								
TOTAL REVENUE	44,000	115,000	45,000	16,000	167,000		80,000	1,165,000
Transfers in								45,000
TOTAL REVENUE AND TRANSFERS	44,000	115,000	45,000	16,000	167,000		80,000	1,210,000
FY 2016 BUDGETED EXPENDITURES								
Salaries	38,538	60,000	24,000	12,000	80,000		97,000	365,000
Benefits	-	18,000	7,500	4,000	24,000		28,986	134,850
Professional Services	-	37,000	13,500	12,779	55,000			700,000
Supplies			18,109		36,551			15,000
Capital								20,000
Other								
TOTAL EXPENDITURES	38,538	115,000	63,109	28,779	195,551		125,986	1,234,850
transfers out								
TOTAL EXPEND & TRANSFERS	38,538	115,000	63,109	28,779	195,551		125,986	1,234,850
Excess Revenue over exp	5,462	-	(18,109)	(12,779)	(28,551)		(45,986)	(24,850)
FY 2014 Fund Balance	(5,462)	-	18,109	12,779	28,551	(4,629)	45,986	(26,150)
FY 2015 budgeted Rev over Exp	-	-	-	-	-	4,629	-	51,000
estimated FY 2015 Fund Balance adjustments	(5,462)	-	18,109	12,779	28,551	-	45,986	24,850
Ending FY 2016 estimated Fund Balance	-	-	-	-	-	-	-	-

FUND DESCRIPTION	310 Bond & Interest	421 Plant Facilities	TOTAL: ALL OTHER FUNDS	Total All Funds
FY 2016 BUDGETED REVENUES				
Local Sources	-	-	452,000	499,000
County Sources	-	1,000,000	1,000,000	3,760,000
State Sources			230,000	18,278,000
Federal Sources			3,202,000	4,577,000
Other Sources			-	8,000
TOTAL REVENUE	-	1,000,000	4,884,000	27,122,000
Transfers in			45,000	80,000
TOTAL REVENUE AND TRANSFERS	-	1,000,000	4,929,000	27,202,000
FY 2016 BUDGETED EXPENDITURES				
Salaries			1,979,538	15,145,538
Benefits			585,143	5,084,143
Professional Services			983,687	4,290,687
Supplies			90,108	580,108
Capital			698,957	712,957
Other	970,357	124,263	1,094,620	1,270,620
TOTAL EXPENDITURES	970,357	124,263	5,432,053	27,084,053
transfers out			35,000	80,000
TOTAL EXPEND & TRANSFERS	970,357	124,263	5,467,053	27,164,053
Excess Revenue over exp	(970,357)	875,737	(538,053)	37,947
FY 2014 Fund Balance	970,357	274,263	1,868,787	1,223,760
FY 2015 budgeted Rev over Exp	-	(150,000)	(105,521)	(100,521)
estimated FY 2015 Fund Balance adjustments	970,357	124,263	1,763,266	1,123,239
Ending FY 2016 estimated Fund Balance	-	1,000,000	1,225,213	1,161,186

He mentioned that if the Plant Facility fails, he would ask for the amount (\$1 million) to be removed from the Published Budget, and reminded the Board that he had to include this in the Published Budget for the District to be able to levy the amount, but that he could have the amount removed should the Plant Facility Levy fail.

We would have a \$1 million in the Plant Facility Fund if it passes. The total estimated Fund Balance for FY16 is \$1,161,186, if the Plant Facility Levy passes, so if the Board decided to spend the \$576,000 from the General Funds for either salaries, health

insurance benefits, or other purpose, or a combination thereof, then we could very easily have a negative fund balance in the General Fund and a negative fund balance in all the other funds.

- Cliff – the last three pages are a breakdown of the revenues and expenses...
 - ~ Amy – ...as budgeted...
 - ~ Cliff – ...as budgeted.
 - ~ Amy – and you [Cliff] know that I have to go to that bottom line...\$164,693...is that our [District] number...
 - ~ Cliff – no, those are the...
 - ~ Amy – oh no...that's IDEA...excuse me...those are the funds budgets...I get it.
- Cliff – so the General Fund could have a loss...estimated loss of a fund balance of \$64,000, Federal Forest will have about \$220,000 budgeted fund balance, Drivers Education will be about \$4,000 (*inaudible*) new vehicles in the next few years, the Plant Facility will have about a \$1 million fund balance...
- Rich – ...so is that (*referencing the General Fund Preliminary Income Statement and Expenses, Revenues over (under) expenses*) ...on that page...it just didn't get copied down...straight down right...that's \$640,000 right...not \$64,000
 - ~ Amy – no that's the negative fund balance at the end...
 - ~ Cliff – ...no that's the ending 2015 fund balance of negative (\$640,000)...I'm assuming that we're [District] going to break even...if we meet budget this year, we'll have a negative (\$640,000) fund balance this year.
 - ~ Rich – so...then it drops down to ...
 - ~ Cliff – then if you [Rich] pick up the yellow line of \$576,000, the profit for 2016, the fund balance at the end of 2016 will be (\$64,000) in the hole [in the red].
 - ~ Amy – okay...I got it.
 - ~ Rich – I got it.
 - ~ Amy – your [District] revenue is anticipated to be \$576,000 greater than your expenses...with everything lying flat [no increases in expenses]...no insurance [increases]...no [salary] raises...does this include not replacing your Assistant Superintendent?
 - ~ Cliff – yes it does.
 - ~ Amy – as July 1, you [District] expect to be \$640,027 in the red, so that's where we [table referencing the budget documents] get the \$64,000...
 - ~ Cliff – ...yes.
 - ~ Amy – where were you [District] the year prior [fund balance]?
 - ~ Cliff – (negative) -\$225,000.
 - ~ Amy – you're [District] going the wrong way.
 - ~ Tim – yes.
- Amy – I know it's unusual to turn in audit reports that have red numbers instead of black numbers...has the State Department put you [District] on a secret probation list...or you know punished you for this in some manner?
 - ~ Cliff – I haven't heard from the SDE...I don't know if Tim or James have, but if you go from (negative) -\$225,000 [fund balance] to a minus (\$640,000), and it [negative fund balance] continues to grow...at some of time there will be a knock on the door [from the SDE]...not only that you [MHSD] just can't run a business [in the black]...if you [example business owner] keep losing money every year...at some point, you've [business owner] got to stop the bleeding, but you've got to go back and pick up the blood that's been shed in the years in the past.
- Amy – now let me ask a practical question...the audit is not due until October?
 - ~ Cliff – correct.

- ~ Amy – do they [SDE] have a clue that its \$640,000 I the red?
 - ~ Cliff – who is they?
 - ~ Amy – the SDE.
 - ~ Cliff – they must because I send them a copy of our financial report every year, it’s posted on our website, and it’s...
 - ~ Amy – ...and the budget is [posted]...and everything else...yah, your right...
 - ~ Cliff – I’ve done everything [publish] except put it on a billboard...to be honest with you, I don’t know that...I don’t think that they [SDE] want to get into micromanaging to that degree, but at some point in time, they’re going to have an obligation to do that.
 - Amy – I agree, where I was headed, now that Mr. Kohler now being the assistant deputy [State Deputy Superintendent of Education] and his experience in Nampa, he’s somebody who would relate to this and maybe has a little more sympathy for school districts on this type of an issue then someone might have had on that position in the past.
 - Sharon – before you [table] go on and with your permission, instead of...I mean I would put the input you have given Cliff, but may I cut and paste Cliff’s Budget Workshop [into these minutes]?
 - ~ Amy – I’m fine with that.
 - ~ Rich – I’m fine with that.
 - Amy – I don’t have any questions...does anyone have any more [questions]?
 - ~ Rich – no.
4. Amy – I guess we might as well slide on into insurance...thank you Cliff that was informative.
- Denise – (*Insurance Committee member handed out a copies of the Mountain Home School District 2015 Medical Renewal – SelectHealth from HUB International, insurance broker*). I promise we won’t take that long. What basically...what we [Denise & Robynn] did...here is a page that we literally tore out of the book from what the District was presented the other day [Insurance Committee]. You [table] can see the first two columns here [referencing the insurance renewal sheet] is Regence, what we [District] currently have...and then if you look down in the bottom you can see that in the red is a decrease...and it’s color coded for you because Cliff has a fancy machine [copier] that does that [copy in color]...can do that... so when you go over into the SelectHealth, they have [show] options 1, 2, 3, and 4, and you can see all of the different red...I can tell you as the group [negotiations] that needs to make the decision, we spent 2-hours and 10-minutes going over and talking about this...as I mentioned last week, we do not qualify for the State Pool because of our number of people with high cost...
 - ~ Amy – ...so to go back into...the Pool would cost even more than this?
 - ~ Denise – we [District] can’t even get into the Pool, they [State Pool] won’t even accept us...at all...because of our high numbers the District...8 [employees] with \$25,000+ [insurance claims cost] and the 4 [employees] of the...\$100,000 [insurance claims cost], so we can’t even...that could have been an option, but is no longer an option for us...it was cut right out ...then we had another option that came before us, which was SelectHealth that came to us and the man gave a presentation and he showed us options 1, 2, 3, 4, and 5 with this...of course running in the red...decrease or options...things like that.
 - Denise – I can tell you overall as a committee [insurance], we liked the idea of going with the new idea of going with the new option of health, but we also realized that becomes a part of negotiations as well. We had the discussion of what about the people that have these high claims already and they’re still undergoing those things and the man [insurance rep] stated that they [insurance company] would be talking to the doctors and not me as a consumer...they have a group of people who would go to the people...who we already have doctors with and say hey would you join us [SelectHealth]...and talking about that...and getting the doctors people [employees] already...that they’re caring for...to come aboard with SelectHealth, which would keep our [District] cost down, because if we go outside, we always know that there is a higher cost.



Pete Cavender
Tara Tandrow
947-1408
947-1406

Mountain Home School District #193
2015 Medical Renewal
September 1, 2015
revised 5/29/15

	Regence Current	Regence Innova Renewal	SelectHealth Signature Option 1	SelectHealth Signature Option 2	SelectHealth Signature Option 3	SelectHealth Signature Option 4	SelectHealth Signature Option 5
Medical							
Individual Deductible (In/Out)	\$1,250	\$1,250	\$1,000 - In / \$2,000 - Out	\$1,250 - In / \$2,500 - Out	\$1,500 - In / \$3,000 - Out	\$2,000 - In / \$4,000 - Out	\$3,000 - In / \$6,000 - Out
Family Deductible (In/Out)	\$2,500	\$2,500	\$2,000 - In / \$4,000 - Out	\$2,500 - In / \$5,000 - Out	\$3,000 - In / \$6,000 - Out	\$4,000 - In / \$8,000 - Out	\$6,000 - In / \$12,000 - Out
Co-Insurance % (In/Out)	80% / 60%	80% / 60%	80% / 60%	80% / 60%	80% / 60%	80% / 60%	80% / 60%
OOPM - Individual (In/Out)	\$4,250 In / \$5,000 Out	\$4,250 In / \$5,000 Out	\$4,000 - In / \$8,000 - Out	\$4,000 - In / \$8,000 - Out	\$4,000 - In / \$8,000 - Out	\$4,000 - In / \$8,000 - Out	\$4,000 - In / \$8,000 - Out
OOPM - Family (In/Out)	\$8,500 In / \$10,000 Out	\$8,500 In / \$10,000 Out	\$8,000 - In / \$16,000 - Out	\$8,000 - In / \$16,000 - Out	\$8,000 - In / \$16,000 - Out	\$8,000 - In / \$16,000 - Out	\$8,000 - In / \$16,000 - Out
Physician Copy	\$30 / \$45	\$30 / \$45	\$30	\$30	\$30	\$30	\$30
Specialist Copy	\$30 / \$45	\$30 / \$45	\$45	\$45	\$45	\$45	\$45
ER Copy / Fee	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins	\$100 after Ded	\$100 after Ded	\$100 after Ded	\$100 after Ded	\$100 after Ded
Diagnostic Lab & X-ray	Ded & Co-Ins	Ded & Co-Ins	Min - 100% Maj - Ded & Co-Ins	Min - 100% Maj - Ded & Co-Ins	Min - 100% Maj - Ded & Co-Ins	Min - 100% Maj - Ded & Co-Ins	Min - 100% Maj - Ded & Co-Ins
Preventive Care	100%	100%	100%	100%	100%	100%	100%
Maternity	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins
Chiropractic	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)	\$30 Copay (20 Visits)	\$30 Copay (20 Visits)	\$30 Copay (20 Visits)	\$30 Copay (20 Visits)	\$30 Copay (20 Visits)
Rx Deductible	\$250 brand/ded	\$250 brand/ded	\$250 brand/ded	\$250 brand/ded	\$250 brand/ded	\$250 brand/ded	\$250 brand/ded
Rx OOPM	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical
Rx Copay	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 / 25% / 50% - after Rx Ded	\$10 / 25% / 50% - after Rx Ded	\$10 / 25% / 50% - after Rx Ded	\$10 / 25% / 50% - after Rx Ded	\$10 / 25% / 50% - after Rx Ded
Specialty Medication	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	20% after Rx Ded	20% after Rx Ded	20% after Rx Ded	20% after Rx Ded	20% after Rx Ded
Mental Health	OP - 20% / 60% IP - Ded & Co-Ins	OP - 20% / 60% IP - Ded & Co-Ins	OP - \$30 Copay + Ded & Co-Ins IP - Ded & Co-Ins	OP - \$30 Copay + Ded & Co-Ins IP - Ded & Co-Ins	OP - \$30 Copay + Ded & Co-Ins IP - Ded & Co-Ins	OP - \$30 Copay + Ded & Co-Ins IP - Ded & Co-Ins	OP - \$30 Copay + Ded & Co-Ins IP - Ded & Co-Ins
Employee Assistance Program (EAP)	Not Included	Not Included	Not Included	Not Included	Not Included	Not Included	Not Included
Total Premium*	319 \$	319 \$	546.60 \$	538.07 \$	527.48 \$	508.55 \$	486.61 \$
Employee	453.20 \$	453.20 \$	1,200.90 \$	1,179.80 \$	1,156.59 \$	1,115.09 \$	1,066.97 \$
Employee/Spouse	8 \$	8 \$	842.50 \$	826.32 \$	810.06 \$	781.00 \$	747.50 \$
Employee/Child	7 \$	7 \$	696.00 \$	684.50 \$	670.00 \$	645.00 \$	606.44 \$
Employee/Children	6 \$	6 \$	806.00 \$	797.85 \$	785.00 \$	750.00 \$	712.50 \$
Family	39 \$	39 \$	1,147.00 \$	1,361.84 \$	1,315.04 \$	1,287.14 \$	1,251.60 \$
Monthly Medical Total	\$206,966.20	\$264,549.80	\$250,535.20	\$245,724.92	\$240,899.59	\$232,246.13	\$225,224.72
Annual Medical Total	\$2,483,594.40	\$3,174,597.60	\$3,006,422.40	\$2,948,699.09	\$2,890,675.14	\$2,786,953.56	\$2,666,696.67
Monthly Dollar Increase / Decrease		\$57,003.60	\$43,569.00	\$18,758.72	\$33,923.39	\$25,279.93	\$15,258.52
Monthly Percentage Increase / Decrease		27.82%	21.05%	18.72%	16.39%	12.21%	7.37%

This is a brief outline of benefits does not include coverage details, limitations or exclusions

- Denise – We [insurance committee] had a couple of people on the committee that had big concerns about children...we [teachers] travel a lot during the summer...what if [an emergency happens]...what

if we can't find a doctor with...that group of people [SelectHealth], the man [insurance rep] said don't worry about it...go and you take of it [emergency], we'll [SelectHealth] take of things, so that is what I heard loud and clear.

- Amy – let me ask a question about health, and I'm trying to rack my brain...we [law firm] did this as a business recently and we had about ten pages of this because we didn't like the options either. SelectHealth, is that a program where your pool of doctors is limited to...
 - ~ Denise – it's St. Luke's...
 - ~ Amy – that what I thought...
 - ~ Denise – they're a Utah based company, but they are into Idaho now, and there is an office in Boise...and that has been there three years (*looking at Cliff*)?
 - ~ Cliff – (*sitting in the audience*) I think so.
 - ~ Denise – approximately three years.
 - ~ Amy – so they are basically the St. Luke's based doctors...part of that program?
 - ~ Denise – yes.
- Rich – Pete...was it Pete who gave the presentation (*inaudible*)?
 - ~ Denise – Pete and Tara did that...
 - ~ Amy – they're our [District] broker.
 - ~ Denise – (*looking at Cliff*) can you remember the man's name...I want to say...I want to say...
 - ~ Amy – Travis Packer?
 - ~ Denise – okay...I didn't bring my scribble sheet [with the names of the presenters].
- Amy – so the insurance committee had a preference to move to SelectHealth?
 - ~ Denise – ...as a whole?
 - ~ Amy – as a whole.
 - ~ Denise – because of the savings...because when you [table] look at Regence and what it was going to go up, and then what we [insurance committee] looked at...SelectHealth, you can see there is a drop, but we also had this big discussion of if in three years, are we [District] going to be back where we are at...Bottom line is it is a crapshoot...when you have insurance it's a crapshoot from year to year, and it's no different...I think with anybody...when you look at that...when we go with SelectHealth, we can save \$225,000...who would not want to go to that when there is that kind of savings.
 - ~ Robynn – (insurance committee member) I think we are looking at option 2, because option 2 is as close as we can get to our current [insurance] plan that we have with Regence.
 - ~ Denise – and then...we know that this team [negotiation] will still negotiate it, but it is what was presented to us...this was 2-hours and 20-minutes and it was constant question...debating back and forth...what are our...you know...
 - ~ Luke – ...so is option 2 the recommendation from the committee...SelectHealth option 2?
 - ~ Denise – I don't know if it was specifically an option, but just the fact that SelectHealth...because of \$225,000 [lesser insurance cost] made sense.
 - ~ Robynn – when...we [insurance committee] talked mostly about our options 2, because it was a significant decrease yet maintaining the current benefits that we [District] have. By going to option 1, we would increase our deductible therefore enhancing our benefit.
 - ~ Amy – option 1 wasn't much of a savings...in all honesty for changing your...
 - ~ Robynn – ...by going down to option 3, 4, and 5, we would be increasing that deductible...for a lot of people [employees] it doesn't matter, because a lot of people don't ever reach their out of pocket deductible, so it was something that we need to
- Rich – ...was there talk about just insuring just the employee?
 - ~ Robynn – we have talked about that in the past...correct me if I wrong [Cliff].
 - ~ Cliff – (*sitting in the audience*) I didn't hear the question.

- ~ Rich – just...talking about just insuring the employee...that's it.
- ~ Amy – versus a spouse?
- ~ Cliff – we've had this discussion...I don't know if it was in the committee...you're talking about not insuring spouses...not insuring children...
- ~ Rich – ...having them [employees] go out...
- ~ Cliff – ...to the exchange and things like that?
- ~ Rich – yes.
- ~ Tim – I'm telling you [table] [if you do this] you're going have trouble recruiting teachers and principals.
- ~ Cliff – yes [agree] it's nice to be able to offer that family coverage. The other thing we [insurance committee] discussed that really wasn't...we didn't think was a viable option...most of the [school] districts charge their employees single coverage...so if I am...if the District just pays for mine [insurance], I still have to pay a \$50 monthly deductible in order to qualify for that...my wife and the Feds have that[employee only coverage]...most other school districts have that [employee only coverage]...we [MHSD] don't have that here...that certainly may be an option in the future...
- Denise – ...didn't we...wasn't it brought up a little bit...didn't we talk about the possibility of giving the money and having all of the teachers going out and fight for themselves on the exchange?
 - ~ Cliff – that is almost the worst option to have teachers...
 - ~ Denise – ...yah...because we talked about that...
 - ~ Cliff – ...we're trying to recruit teachers and [if] we (*inaudible*) tell them we have no healthcare...but then you [District] give them the money [to purchase their own insurance]...and it is taxed so then...
 - ~ Amy – ...yes...it's taxed appropriately...
 - ~ Cliff – (*inaudible*)
 - ~ Denise – but that was talked about...[for you] to know that we [insurance committee] looked at all of it.
 - ~ Cliff – (*inaudible*) taxes...
 - ~ Amy – ...can I ask...oh sorry...
- Terri – ...Denise, my question is...is the high rate claim that we [District] have had...that has put us in this dilemma...they have all been employees of the district...not the spouse...not the children...
 - ~ Denise – ...I have no way of knowing that...
 - ~ Cliff – I can't say...
 - ~ Amy – ...that would be a HIPPA problem...
 - ~ Denise – I was going to say that would be a privacy act...(*inaudible, everyone talking at the same time*).
 - ~ Amy – a privacy act problem.
- Robynn – two years ago, we had a zero percent increase and so as we've seen in the last few years, it kind of goes up and down...on a wave and we happen to hit a high wave this year...and it's unfortunate with our current budget that that is how it's going to go down.
- Amy – one other question...on the SelectHealth...and this is me going back trying to remember which one I was looking at...one of the things we looked at heavily was the prescription. I don't know...\$10...25%...then 50%...what is the 50%, and do you remember what kind of prescriptions that covers...because that could be a huge ticket item.
 - ~ Denise – we talked about ...Travis talked about one medication...one [particular] pill alone costs...what \$10,000...and such, so ...
 - ~ Amy – it's a risk.
 - ~ Denise – you've got it.
 - ~ Tim – we have an individual with cancer, so it's expensive.

- ~ Amy – like we [law firm] have [employees with] Parkinson’s and Rheumatoid Arthritis and various other...
- ~ Denise – yes...very high costs...
- ~ Amy – \$600-700 a month in just prescription costs...
- ~ Robynn – ...but one of the things they [SelectHealth] said they would do is take those people who have high costing prescriptions and offer them a month’s prescription at their [SelectHealth] cost for that person, as generics, if that was possible.
- ~ Amy – and the next thing under that specialty medication, 20% after prescription medication deductions...do you remember what that was about?
- ~ Denise – I can’t tell you the details...I mean there was so much information coming at us...
- Amy – I just want to make sure...if we’re [table] making a decision about somebody’s life...I mean this isn’t their job...this is their healthcare...that we at least are going in with our eyes open and recognizing that...I totally agree with you [Robynn & Denise] that this is a substantially less cost, even for the family plans...employees and children...I just want to make sure that we have in our minds that we may be increasing somebody’s monthly prescription costs or their deductibles.
 - ~ Denise – we [insurance committee] can probably check into that...could we not...
 - ~ Terri – and in the whole ebb and flow of things are we really gaining anything, because it is that...moving target if you will...
 - ~ Denise – and that’s something...
 - ~ Amy – ... best bang for the buck...
 - ~ Terri – yah...but...
- Robynn – like Denise said earlier, they could be possibly buying our business...where next year...we would see another large increase...
- Denise – ...we don’t know...so that’s what this team [negotiations] is going to have to make...that decision...and the options, but if there are any questions, we can sure see if we can get them answered...am I right Cliff...that we can ask those?
- Rich – so do we know how many doctors are covered...here from Mountain Home...that they are included?
 - ~ Robynn- we are working on getting a list...
 - ~ Cliff – quite a bit of doctors are covered [here] in Mountain Home, because of the St. Luke’s affiliation here with the hospital...then...anybody who has privileges here generally are part of the network with SelectHealth...also Misty in Boise, the cancer institute is associated with SelectHealth...and St. Luke’s.
- Amy – let me ask you [Association]...you work here...these are your coworkers and colleagues...have you had discussions amongst the teachers about what this costs...would you [teacher] rather have deductibles...would you rather have med insurance for prescription...or...just from your antidotal experience, what was priority?
 - ~ Luke – you guys [Association] haven’t done any surveys out there have you?
 - ~ Terri – no.
 - ~ Amy – okay...
 - ~ Luke – would this...am I correct that this is the first time you [Association] have seen this?
 - ~ Terri – yes.
- Robynn – we had a long discussion about the fact that we would be changing over to primarily St. Luke’s and there would be a big change in educating our population, because going to a St. Al’s provider would not be covered, so we [employee] would pay...they would pay...it would be paid...so like if I paid \$100 to St. Luke’s there would be a cash balance, so they [SelectHealth] would pay the \$100 and you [employee] would pay whatever the difference is [to the out of network provider].

- Luke – so have you guys [Denise & Robynn] served on the committee [insurance] for a while?
 - ~ Robynn – we’ve been on it for 5 years.
 - ~ Luke – have you [insurance committee] talked about doing just like an average increase over time to nullify some of this stuff, instead of one year...easy (*inaudible*) and the next year be ...
 - ~ Robynn – sorry, could you [Luke] say that again?
 - ~ Luke – have you thought about an average increase...so let’s say you...a 7% (increase) over three years instead of saying this year we [District] have 0% [increase in premiums], and next year we are getting hit with 20% [increase]...you know...[and the] next year 2%...[and] the next year 30%.
 - ~ Robynn – (*looking at Cliff*) correct me if I’m wrong...when we [District] had the 0% increase, we discussed possibly trying to negotiate with them [insurance company] to possibly pay something upfront, because we already had a 0% to increase our payment, so that it would make our next year’s [insurance premium] payment lower, and that was not accepted by the insurance company...correct.
 - ~ Cliff – yes, and basically you [District] have a situation where you have an unusually low year...to me the logical way to do that [pay premium increases] would be just put that money into a fund balance of the District and then use that fund balance to pay the year we have a 30% increase.
 - ~ Amy – I’ve seen that done...set aside [money] for insurance...
 - ~ Luke – yah...so when you had zero percent was anything like that done or was that just passed on to employees?
 - ~ Cliff – that was when the State was cutting back [educational funds].
 - ~ Luke – ...gotcha.
 - ~ Cliff – so we [District] were using all of those savings...
 - ~ Luke – ...to build a (*inaudible*)...cover the shortfalls that were...gotcha...thanks Cliff.
- Rich – so we [District] are kind of unique here having quite a few military people, so if they [employees] get insurance from the base, do they have to be included?
 - ~ Terri – yes...
 - ~ Robynn – ...yes, they do because...
 - ~ Terri – ...it’s their benefit.
 - ~ Robynn – the District pays the whole benefit...if we [District]...had we offered to have employees pay something for insurance, there is a possibility that you [District] could allow military members [dependents] with insurance to opt out (*looking at Cliff*) [of insurance].
 - ~ Cliff – I believe so.
 - ~ Amy – wait...could you [Robynn] repeat that...so ...if you [District] pay...I’m just grabbing a number...\$25 a month towards your [employee’s] insurance, then you could allow the military [dependent] to opt out?
 - ~ Robynn – right, but that creates another issue, because we [District] would be letting out...people who are relatively young...relatively healthy...and taking them out of our [insurance] pool and therefore increasing our numbers [of high users].
 - ~ Amy – and I have to research this...Cliff you might know this ...the new portion of the Affordable Healthcare Act that came into place this year...about discriminatory [insurance] policies...about having different...that might trip that too.
 - ~ Cliff – we [District] can’t have discriminatory plans [insurance].
 - ~ Amy – I don’t think you can either.
- Terri – and the [insurance] committee’s recommendation is [SelectHealth] option 2...is that what I hear you say Robynn?
 - ~ Cliff – no!
 - ~ Terri – no?
 - ~ Cliff – the committee didn’t make a recommendation on which option, the committee made a recommendation on whether to stay with Regence or to go with SelectHealth.

- ~ Terri – okay
- ~ Cliff – but we [insurance committee] are putting which option is a negotiation item...putting it on the table to determine which one the negotiation team feels...that is...they want negotiating for...
- ~ Rich – ...but it was a recommendation to switch the....
- ~ Cliff – ...the recommendation was...of the committee...was to switch to SelectHealth.
- ~ Robynn – option 2 is the closest.
- ~ Amy – closest?
- ~ Terri – most parallel.
- ~ Cliff – the closest one [plan] that we have with Regence.
- Luke – did you guys [insurance committee] shop ...approximately...
 - ~ Cliff – BlueCross would not...would not rate our plan, because of our adverse...
 - ~ Luke – ...same thing...
 - ~ Cliff – ...same as the State Pool this year we (*inaudible*).
 - ~ Luke – ...gotcha.
- Amy – so at this time we [table] don't know how many doctors in Mountain Home are part of SelectHealth or whether or not they [employees] would have to drive to Boise.
 - ~ Denise – because we [insurance committee] didn't get the list yet...right...of the doctors.
 - ~ Cliff – I think I just got it a short time ago.
 - ~ Amy – [referring to Cliff] I think that is something important that we [table] might want to know...I think that is critically important, because if it's only two or three doctors...
 - ~ Cliff – ...it's a substantial number of doctors.
 - ~ Amy – that's good.
 - ~ Luke – if we're sending people [employees] out of their doctor who they are using...if they have a special medical...I mean that just compiles their concern.
 - ~ Amy – if...and this is me personally and not on behalf of the Board...if I had a special medical condition, I wouldn't be real kind to having my insurance company tell me who I can go to and who I can't.
 - ~ Denise – we have someone on the [insurance] committee who was very strong about that and that's when he [insurance rep] said you [employee] can stay with them [[doctor], but realize your out of pocket [expense] will be there, because we can't tell you what doctor [to see], but of course it's in the best...insurance...to stay with that group [District's Insurance Provider] to have the lower cost...just like if you're on vacation...if someone needs medical help, you're not going to drive 50-miles when you can drive 1-mile down [the road].
 - ~ Amy – absolutely.
 - ~ (*discussion about emergency scenarios*)
 - ~ Robynn – they [SelectHealth] said if it was an emergency...(*example*) let's say you're in a car accident, you're going to go to St. Al's no matter what...if you're going between here and Boise [first responders generally send accident victims to St. Al's]...they [SelectHealth] will pay for it if it's an emergency and it's not a St. Luke's area, if it's an emergency, they will pay for it.
 - ~ Amy – to be honest, that's not what they [insurance] told us [legal firm] when we [legal firm] looked at it, but if that is the case that's good to hear.
 - ~ Denise – if it's LifeFlight, they are going to take you where they need to.
 - ~ Amy – what do you think about this Terri?
- Terri – could someone explain to me the medical monthly totals down here [referencing insurance document], because if I'm looking at option 2, I'm looking at that being a higher figure than what we [District] are currently paying.
 - ~ Amy – this [amount] is the increase to renew what you [District] are currently paying, so no matter what, it's an increase...it's [a matter of] just how much of an increase.

- ~ Terri – right.
- ~ Amy – the lowest increase on here [insurance document] is 7.3%, but boy that’s a high...
- ~ Terri – ...high...high...high deductible.
- ~ Amy – right and not great coverage, so if we [table] are looking at SelectHealth 2, we go from \$206,000 a month to \$240,546 a month ...okay.
- Robynn – they also gave the option...SelectHealth said they are willing to contact...if there is a doctor...let’s say a doctor in Mountain Home like Idaho Foot something...they are willing to contact...if we said we would really like to look at this doctor...they said they are willing to contact and try to contract with them to make them part of their....
 - ~ Terri – network...
 - ~ Robynn – yep, because they’re [SelectHealth] new.
 - ~ Amy – and SelectHealth has only existed for three years, so they are probably trying to build their network.
- Amy – Cliff do you know of any other school districts that have gone to SelectHealth, off of the [State] Pool, or Regence, or somebody else that they have?
 - ~ Cliff – Glens Ferry...Pete said there are couple of more [school districts] have gone to SelectHealth.
 - ~ Amy – could you [Cliff] find that out...I guess I could find that out.
 - ~ Luke – I can look it up to see.
 - ~ Amy – I think it would be beneficial to have some life experience [feedback].
- Luke – I know some [school] districts that have gone to dropping spouse coverage.
 - ~ Amy – well clearly by the numbers on the left side [insurance document]...you don’t have a huge participation...people are putting their families elsewhere or putting them on the exchange...but you’re right it’s a (*inaudible*).
 - ~ Luke – I know that one [school district] that is in my area is Cascade and when they recruit people to teach it’s not necessarily the health insurance that draws people out there.
 - ~ (*small talk about low deductions years ago*).
- Terri – personally is where I’m going to speak about this...I’m not ready to make a decision. I don’t believe we [table] have enough information as far numbers and the like, and I think we need to spend quite a bit more time with our insurance committee folks, and saying...more discussion.
 - ~ Amy – to be honest...I totally agree.
 - ~ Terri – yeah!
 - ~ Amy – I feel very uncomfortable addressing the situation without knowing what doctors are on the plan and not on the plan...and in all honesty I feel very uncomfortable about addressing the situation without you [Association] potentially asking your membership...I mean it’s one thing to use the committee...
 - ~ Terri – right...right...right...
 - ~ Amy – ...and we love that they [insurance committee] did do the homework, but when we’re [table] talking about this big of a raise [insurance premiums]...I think I want as much input as I can [get].
 - ~ Rich – we can send this survey out.
 - ~ Amy – it makes me horribly uncomfortable to think about the decision...we are just going to sit here and make...in the blue...could change somebody’s out of pocket every month by \$1,000 for prescription...that is out of the norm for some of these prices.
 - ~ Amy – thank you [insurance committee], I appreciate the work.
 - ~ Terri – thank you...thank you [insurance committee].
- Amy – may I make a suggestion of having a humanitarian break?
 - ~ Terri – yes, thank you!
 - ~ (*break from 10:38 a.m. to 10:49 a.m.*)

5. Amy – I asked Rich if we could go back to the insurance for a minute, because I realized as we were looking at this [insurance documents], we were talking about the increases and percentages, but we weren't talking about the total and that [total amount] wasn't on here. I was doing the math and I broke down and multiplied out what the increases were to renew for the existing policy [Regence]...at \$691,003.20.
- Rich – \$61 what?
 - ~ Amy – \$691,000, let's not worry about the \$3.20.
 - ~ Rich – okay.
 - Amy – SelectHealth option 1 is \$522,828, SelectHealth 2 is \$465,104, SelectHealth 3 is \$407,080, SelectHealth 4 is \$303,575, and SelectHealth 5 is \$183,102. So from the insurance committee, when they were talking about the difference between the \$250...now I...okay...it's \$250,000 give or take from SelectHealth 2 to...\$230,000 give or take.
 - ~ Rich – so...sorry...go back to that first one...\$691,003.
 - ~ Amy – [Regence renewal] \$691003.20...\$691,000 is fine...remember Cliff is good, he can find \$3.20...wow...
 - Tim – Robynn did the insurance committee at any point in time talk about the District picks up this much [amount] and the employee picks up that much [amount] or was that just strictly left up to negotiations?
 - ~ Robynn – we talked about it briefly but (*inaudible*).
 - ~ Tim – negotiation, which makes sense. I was just wondering if you [Robynn] had any feel for that.
 - ~ Robynn – I think (*inaudible*) ask Tara and Pete.
 - Amy – I think we [table] want to see that [list of other school districts using SelectHealth], and we want to see the list of providers [doctors], and what else do we want to know about insurance? Before we leave the topic, we might as well know what we want to see.
 - Tim – [referring to Luke] Cascade was the only one you knew of?
 - ~ Luke – the only one in my region.
 - ~ Amy – we can call them.
 - ~ Robynn – check with Glens Ferry, as well.
 - ~ Tim – Pocatello would be a good size to look.
 - Luke – [referring to dropping spousal coverage] Jim stark gave a presentation to us [IEA] over at the IEA, he's an associate that...needs...time to time he has studied that [spousal coverage] fact, because he is very leary about dropping spouse coverage...because of multiple issues, and he said that so far there are six districts in the State that have done it [dropped spousal coverage] and no problems so far...this year...surprising...because no matter what you do, you at least hear of someone complaining.
 - ~ Amy – but from a particular standpoint...if you drop the child/children/spouse...that is sort of your young healthy pool of people.
 - ~ Luke – I think in those districts they just did spouse. I know the [union?] president in Cascade saves around \$250 a month...just the coverage they had with the district and some...
 - ~ Amy – ...something else...and if you [table] look, the ones [options] that are covering the spouse...is still over 10%. I think from at least my perceptive...or your perspective it would have to make a significant difference...to make you [employee] send your spouse out...your kids out onto the exchange. I'm not sure what kind of difference it would be, but we could ask.
 - Luke – as soon as we [District] charge...if we were to charge an employee...single employees that are getting coverage...wouldn't we then have to allow them to opt out? So, that's what I'm considering (*inaudible*).
 - ~ Amy – possibly...and Luke you are absolutely right, because...though they are really only asked if you smoke...you know darn well you can find something...you can jack that deductible, because you know that you are not going to hit it.

- ~ Luke – exactly.
- Amy – so a list of providers, other districts who are using SelectHealth [and] what their experiences are, and what impact it would have to drop spouse. Any other questions or what we should follow up on?
 - ~ Terri – is there a BBB report or complaints on it?
 - ~ Luke – are there base doctors that would not be able to opt in?
 - ~ Amy – ...because they are all under TriCare [military insurance].
 - ~ Rich – right.
 - ~ Audience – base doctors would not be covered [under this plan].
 - ~ Table collectively – ohhh...that was an important thing to hear...that's huge...would have never thought about that.
 - ~ Tim – good job Luke.
 - ~ Luke – I can't take the credit...that was the audience.
 - ~ Amy – good job audience.
- Amy – monetarily I understand the point of SelectHealth...from a human perspective, I understand re-upping [renewing]...I have another question and please don't cringe...I'm just asking for information. When you [insurance committee] looked at re-upping [renew] with Regence, did you look at changing the deductible or any other coverages?
 - ~ Robynn – yes, I have that list.
 - ~ Amy – because the comparison we [table] have is just literally renewal of the exact same thing...I know it's the deductible and the pharmacy that drives the cost.
 - ~ Robynn – I'll go make some copies.
 - ~ Amy – I guess I'll add that to the list...other Regence's options...I guess I'll call that...[referring to Cliff] and no one else will come bid you?
 - ~ Cliff – (*shook his head no*)
 - ~ Amy – wow...okay...anything else on insurance that we [table] want?
- Luke – I just received a note that said that base personnel could opt out and then they're covered 100% by the base...but they can opt out.
 - ~ Amy – it's a valid point and in that same question we [table] have to think if we lower [remove from low claims] those people [military dependents] out, is your [District] experience going to be an even higher impact because they are probably doubling up on insurance right now.
 - ~ Rich – of course.
 - ~ Amy – so they [military dependents] are not the ones [employees] driving up your [District] increase.
 - ~ Terri – personally for me, I put three [insurance] cards on the table...first one...primary is from the school district, secondary is from the State, and third is from Tricare...I'm one of those over insured and people [medical] love to have me go through the door, because I supplement everyone else who is not.
 - ~ Amy – and it's not your usage that's driving up...
 - ~ Terri – ...that's right.
 - ~ Amy – but say we take the base people out and they go onto TriCare, my guess is what is left is the usage...because we wouldn't have those numbers if they had three plans or two plans. (*audience person made an inaudible statement*) No, it wouldn't be paying for their coverage either, but my guess is that you [District] wouldn't be paying for their premium rate...your rate increase may change because your percentage of high users is going to be higher.
 - ~ Terri – and we have a smaller pool with greater usage.
 - ~ Amy – you got it.
 - ~ Terri – which would wind up in turn...driving it up...even more costly.

- ~ Amy – and it might be fine for this year, because you [District] have the quote, but come next year we [District] could see another 30% increase.
- ~ Denise – like we said...it's a crashout.
- ~ Amy – I've never seen one [insurance premium increases] this high, but good information. I do want to thank again the insurance committee and Cliff for providing us with the information ...whether we like it or not is another question, but they didn't control that.
- Amy – do we want to move on the agenda?
 - ~ Rich – did you want to do that and then come back to this [insurance] in a little bit?
 - ~ Amy – come back with what?
 - ~ Rich – she's [Robynn] going to bring back some of the other ones [insurance options].
 - ~ Amy – ohhh...while we're on the topic...
- Rich – ...she just went to print off some the options.
- Amy – okay because I have to admit I don't want to bounce around [the agenda].
- *(conversation while Robynn made copies)*
- Robynn – there's a front and back to that [additional Regence insurance document].
 - ~ Amy – so there's seven different options in addition to the straight out renewal...okay.
 - ~ Amy – so in Regence there is a comparable renewal for the SelectHealth 2 of 18.73% versus 18.75%, but what it does to the deductible is go from \$1,250 to \$2,000, and the family deductible from \$2,500 to \$4,000
 - ~ *(time was spent reviewing the additional options)*
- Amy – can I ask the insurance committee a question...if you can ...if you can't that's okay. Did you talk about the other Regence options...and coming to the page that you presented us today, clearly you rejected the rest of them...why did you reject the rest of the Regence options?
 - ~ Robynn – we were looking for a more comparable plan where we didn't lose anything [benefits] and by going to option 1 we were losing *(inaudible)*, so we decided to keep what we currently have.
 - ~ Denise – we were also talking about the out-of-pocket for the young families, because we have two young family members on our committee and that was a concern for them; they're already struggling with what they make and then having young children and then having to pay an even higher deductible.
 - ~ Amy – little kids get sick...and option 4 is the closest with deductible, but it's not an 80/20 plan, it's a 70/30 plan, so that would be the big difference there, right? ...but it's still a 23% increase.
 - ~ Amy – and I know it's too early for us [table] to say yes to anything...I totally agree we [table] need more information, but is it too early to say no to anything and limit this down a little? I guess you [insurance committee/table] are not too keen on the \$3,000 deductible, so we can say no to that...and there is three of those...the family deductible of ...quite frankly options 5, 6, and 7...the out of pocket for family is so high I can't imagine that being realistic.
 - ~ Luke – although I agree with you Amy, those are ridiculous...but I...I don't want...
 - ~ Amy – ...take them off the table?
 - ~ Luke – yes, take them off the table *(inaudible)*.
 - ~ Amy – I have no problem with that at all.
 - ~ Terri – thank you insurance committee that has to be a tough job.
- Amy – I think one of the things we [table] are going to want to do once we decide on insurance is...I think we are going to have to talk about if you [table] leave the Regence program you are in right now, there is going to have to be some sort of educational component for the teachers and quite frankly, the entire district staff for this change, especially if you are going to SelectHealth...identify providers...I think there will have to be a lot of education on that so that there is buy-in [from staff].



Mountain Home School District #193

2015 Medical Renewal

September 1, 2015

revised 5/18/15

Pete Cavender

947-1408

Tara Tandrow

947-1406

	Regence Innova Current	Regence Innova Renewal	Regence Innova Option 1	Regence Innova Option 2	Regence Innova Option 3
Medical					
Individual Deductible (In/Out)	\$1,250	\$1,250	\$2,000	\$2,500	\$5,000
Family Deductible (In/Out)	\$2,500	\$2,500	\$4,000	\$5,000	\$6,000
Co-Insurance % (In/Out)	80% / 60% / 60%	80% / 60% / 60%	80% / 60% / 60%	80% / 60% / 60%	80% / 60% / 60%
OOPM - Individual (In/Out) includes deductible	\$4,250 In / \$5,000 Out	\$4,250 In / \$5,000 Out	\$5,000 In / \$5,000 Out	\$5,500 In / \$5,000 Out	\$6,000 In / \$5,000 Out
OOPM - Family (In/Out) includes deductible	\$8,500 In / \$10,000 Out	\$8,500 In / \$10,000 Out	\$10,000 In / \$10,000 Out	\$11,000 In / \$10,000 Out	\$12,000 In / \$10,000 Out
Physician Copy	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45
Specialist Copy	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45
ER Copy / Fee	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins
Diagnostic Lab & X-ray	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins
Preventive Care	100%	100%	100%	100%	100%
Maternity	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins
Chiropractic	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)
Rx Deductible	\$250 brand ded	\$250 brand ded	\$250 brand ded	\$250 brand ded	\$250 brand ded
Rx OOPM	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical
Rx Copy	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins
Specialty Medication	\$20 + 25% Co-Ins	\$20 + 25% Co-Ins	\$20 + 25% Co-Ins	\$20 + 25% Co-Ins	\$20 + 25% Co-Ins
Mental Health	OP - 0% / 30% / 60%	OP - 0% / 0% / 60%	OP - 0% / 0% / 60%	OP - 0% / 0% / 60%	OP - 0% / 0% / 60%
Employee Assistance Program (EAP)	IP - Ded & Co-Ins	IP - Ded & Co-Ins	IP - Ded & Co-Ins	IP - Ded & Co-Ins	IP - Ded & Co-Ins
	Not Included	Not Included	Not Included	Not Included	Not Included
Total Premium**					
Employee	319 \$	579.30 \$	538.20 \$	521.70 \$	506.30 \$
Employee/Spouse	8 \$	1,270.10 \$	1,180.00 \$	1,143.90 \$	1,110.10 \$
Employee/Child	7 \$	889.60 \$	826.50 \$	801.20 \$	777.60 \$
Employee/Children	6 \$	806.80 \$	958.10 \$	928.70 \$	901.30 \$
Family	39 \$	1,147.00 \$	1,362.10 \$	1,320.40 \$	1,281.40 \$
Monthly Medical Total		\$206,966.20	\$245,781.80	\$238,249.70	\$231,216.10
Annual Medical Total		\$2,483,594.40	\$2,949,381.60	\$2,858,996.40	\$2,774,593.20
Monthly Dollar Increase / Decrease			\$38,815.60	\$31,283.50	\$24,249.90
Monthly Percentage Increase / Decrease			18.75%	15.12%	11.72%

This is a brief outline of benefits does not include coverage details, limitations, or exclusions



Mountain Home School District #193
 2015 Medical Renewal
 September 1, 2015
 revised 5/18/15

Pete Cavender

947-1408

Tara Tandrow

947-1406

	Regence Innova Current	Regence Innova Renewal	Regence Innova Option 4	Regence Innova Option 5	Regence Innova Option 6	Regence Innova Option 7
Individual Deductible (In/Out)	\$1,250	\$1,250	\$1,250	\$2,000	\$2,500	\$3,000
Family Deductible (In/Out)	\$2,500	\$2,500	\$2,500	\$4,000	\$5,000	\$6,000
Co-insurance % (In/Out)	80% / 60% / 60%	80% / 60% / 60%	70% / 50% / 50%	70% / 50% / 50%	70% / 50% / 50%	70% / 50% / 50%
OOPM - individual (In/Out) includes deductible	\$4,250 - In / \$5,000 - Out	\$4,250 - In / \$5,000 - Out	\$4,250 - In / \$5,000 - Out	\$5,000 - In / \$5,000 - Out	\$5,500 - In / \$5,000 - Out	\$6,000 - In / \$5,000 - Out
OOPM - Family (In/Out) includes deductible	\$8,500 - In / \$10,000 - Out	\$8,500 - In / \$10,000 - Out	\$8,500 - In / \$10,000 - Out	\$10,000 - In / \$10,000 - Out	\$11,000 - In / \$10,000 - Out	\$12,000 - In / \$10,000 - Out
Physician Copy	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45
Specialist Copy	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45	\$30 / \$45
ER Copy / Fee	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins	\$100; then Ded & Co-Ins
Diagnostic Lab & X-ray	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins
Preventive Care	100%	100%	100%	100%	100%	100%
Maternity	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins	Ded & Co-Ins
Chiropractic	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)	Ded & Co-Ins (20 Visits)
Rx Deductible	\$250 brand ded	\$250 brand ded	\$250 brand ded	\$250 brand ded	\$250 brand ded	\$250 brand ded
Rx OOPM	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical
Rx Copy	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins
Specialty Medication	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins	\$10 + 20% Co-Ins / \$20 + 20% Co-Ins
Mental Health	OP - 0% / 80% / 60% IP - Ded & Co-Ins	OP - 0% / 60% / 60% IP - Ded & Co-Ins	OP - 0% / 70% / 50% IP - Ded & Co-Ins	OP - 0% / 70% / 50% IP - Ded & Co-Ins	OP - 0% / 70% / 50% IP - Ded & Co-Ins	OP - 0% / 70% / 50% IP - Ded & Co-Ins
Employee Assistance Program (EAP)	Not Included	Not Included	Not Included	Not Included	Not Included	Not Included
Total Premium**						
Employee	\$ 453.20	\$ 579.30	\$ 558.50	\$ 527.00	\$ 508.40	\$ 494.60
Employee/Spouse	\$ 993.70	\$ 1,270.10	\$ 1,224.60	\$ 1,155.40	\$ 1,114.70	\$ 1,084.30
Employee/Child	\$ 696.00	\$ 889.60	\$ 857.70	\$ 809.20	\$ 780.80	\$ 759.50
Employee/Children	\$ 806.80	\$ 1,031.20	\$ 994.20	\$ 938.10	\$ 905.00	\$ 880.30
Family	\$ 1,147.00	\$ 1,466.10	\$ 1,413.50	\$ 1,333.70	\$ 1,286.70	\$ 1,251.60
Monthly Medical Total	\$206,966.20	\$264,549.80	\$255,053.90	\$240,663.50	\$232,174.10	\$225,862.50
Annual Medical Total	\$2,483,594.40	\$3,174,597.60	\$3,060,646.80	\$2,887,962.00	\$2,786,089.20	\$2,710,350.00
Monthly Dollar Increase / Decrease		\$57,583.60	\$48,087.70	\$33,697.30	\$25,207.90	\$18,896.30
Monthly Percentage Increase / Decrease		27.82%	23.23%	16.28%	12.18%	9.13%

This is a brief outline of benefits does not include coverage details, limitations, or exclusions

- Amy – don't you [Tim] typically review insurance with employees...orientation obviously for new teachers that day, but existing [teachers]?
 - ~ Tim – they [buildings] usually have a meeting each those first couple of days...don't they try to go through...don't they have building...with you [Rich]?
 - ~ Rich – that's usually not taken care of [during the first couple of day]...it's more of housekeeping...by building.
 - ~ Amy – more building driven...okay...because I think the message by building is going to have to be uniformed...because if you [District] have the same thing year after year the messaging isn't a big deal because you already had it.
 - ~ Rich – we would want something ...or rotate the building meetings to make sure you have the same person come in to give the same presentation.
 - ~ Amy – I think that is a critical component.
- Terri – we are unique because we are a military community.
 - ~ Rich – kind of off of that...[regarding military] (*inaudible*) because most of the time we might get somebody that is a [military] spouse...they are only going to be there [here] a short time anyway...is it hurting that pool if you [we] know they are only going to be there [here] two years?
 - ~ Terri – but then you [we] have those others like me that came here in 1985 expecting to be here two years and boom...here I am [in 2015].
 - ~ Rich – well that's an anomaly.
- Amy – I think that's the types of questions about the spouse coverage issue, given what you [District] have...it's only 41 or 42...a little over 10% of the insured...is that really going to drive the number and how much...or are the 40 people your [MHSD] young "healthies" that are keeping your number down...great question...I don't know.
 - ~ Rich – but they [military spouse] are just opting out of the benefit...I mean they aren't going to be reimbursed ...it is part of their salary.
 - ~ Luke – right...there is not a fringe benefit connected to it.
 - ~ Amy – and that might be something to ask when you [Association] put out that survey...the people who have their spouse on coverage...they've had the opportunity already to go out to the exchange and didn't do it.
 - ~ Rich – I'm thinking more of...what I'm thinking when I say spouse we might have...they're [military] out at the base working, but their spouse is a teacher and so they're only going to be here for like maybe two contracts and then they go away...and that's the pool I was looking at more. We do get that regularly.
 - ~ Amy – but as an employee, you still have to provide the coverage.
 - ~ Rich – that's where I was looking at...would that save us (*inaudible*).
 - ~ Amy – and for lack of a better term...your transient teachers, what is their impact on the pool (*inaudible*), but if they have doubled up on insurance, my guess is that they are not driving the numbers.

6. Amy – would you [Rich] like to move on to the proposals? You [Association] had presented three [Association proposals] last time and I told you that I was going to go back on at least two of those [proposals] and I have. Let's start off with...you had presented the Staff Involvement in Decision Making...we [table] had talked about relationship building, communication, in general, so I told you that I was going to take that line and expand on it and I have...and I actually have two [counter proposals] on it, and I expect I will have a third...I just need to work on one issue associated with it. The first one, District Solutions Team, is the direct counter to your first proposal.

- Amy – this is not a new or unique concept to have a solutions team...it's actually something that I've used in a different [school] district and it's something that district has had...and quite frankly it is something a different district had when they were facing financial problems, as well...so it's kind of a mirrored situation here.
~ (the Association reviewed the District's first counter proposal)

DISTRICT COUNTER PROPOSAL NO. 1	Date Proposed: _____
– TO ASSOCIATION'S PROPOSAL ON STAFF INVOLVEMENT IN DECISION MAKING	
_____ DISTRICT SOLUTIONS TEAM.	
From time to time, issues involving matters associated with the operation of the school, the school's financial condition, and/or other such related issues may arise. At the discretion of the Board and/or the Superintendent, a Solutions Team may be developed to review specifically identified concerns for possible resolution. If and when such Solutions Teams are developed, efforts will be made to include Certificated Teaching Personnel from the various respective grade levels and/or programs to participate in addressing possible solutions.	
____.1 Development and use of Solutions Teams shall be at the sole discretion of the Board and/or the Superintendent.	
____.2 When Certificated Teaching Personnel are included as members of a Solutions Team, the Superintendent will make a request to the Association's President for identification of three (3) members to participate on the Solutions Team. Such identification shall include a cross section of Certificated Personnel representing view points from varying grade levels and/or programs.	
____.3 In addition to those identified by the Association President, the Superintendent and/or Board may identify additional members for participation on the Solutions Team.	
Expires June 30, 2016	
_____	_____
School Board Representative	Association Representative
Date: _____	Date: _____

- Amy – and while you are reading that one, I'm going to give you [Association] this one, District/Association Educational Collaboration, as well, because it's on the same subject matter and goes with it...and like I said, there is a third one that I'm going to bring [to the table] that is likewise related and it goes to some of the subject matters that we talked about at the last meeting. This one is on the collaboration from the educational component on student safety issues on teacher reporting issues on the new bullying statute, sex offence...so it is related.
~ (the Association reviewed the District's second counter proposal)

DISTRICT PROPOSAL 1.B	Date Proposed: _____
<p>_____ DISTRICT/ASSOCIATION EDUCATIONAL COLLABORATION.</p> <p>The District and the Association shall collaborate together to provide educational opportunities to the District's Certificated Teachers regarding the following issues:</p> <ol style="list-style-type: none"> 1. Suicidal Ideation Reporting Obligation 2. Abuse, Abandonment and/or Neglect Reporting Obligation 3. The Code of Ethics for Idaho Professional Educators 4. Bullying - Statutes, District Policy and the Administrative Procedures Act. 	
Expires June 30, 2016	
<p>_____</p> <p>School Board Representative</p> <p>Date: _____</p>	<p>_____</p> <p>Association Representative</p> <p>Date: _____</p>

- Amy – while I’m at it, I going to hand you [Association]...
 - ~ Rich – we’ll [Association] take these [first two District counter proposals] into consideration.
 - ~ Amy – absolutely...I’m going to hand you [Association] the next one, which is a counter on your representative status...I needed to clarify the issue of directors and coordinators...pretty close to what you [Association] had on there except that I expanded the “thou shall and [shall] not’s,” and included that you [Association] have proven a majority of representation, second paragraph...and if you [Association] notice a the bottom of these [counter proposals] I’ll put a duration...so that each paragraph...bring in some that are two-years and let’s identify those.
 - ~ Rich – sure.
 - ~ *(the Association reviewed the District’s next counter proposal)*
 - ~ Amy – actually, one of the ones [counter proposal] I’m going to give you shortly, I had originally written it as two-years, but when I went back and checked Idaho Code...we’re back to one [-year], because of the way it’s written.

DISTRICT COUNTER PROPOSAL NO. 1	Date Proposed: _____
<p>_____ ASSOCIATION REPRESENTATIVE STATUS.</p> <p>The Board acknowledges that for the purpose of negotiations for the Negotiated Agreement for the 2015-2016 school year, the Mountain Home Education Association (hereinafter "Association") is the current representative organization designated to represent the Certificated Professional Teachers covered by such Agreement.</p> <p>The Association has demonstrated, as required by applicable provisions of the Idaho Code, that it was duly chosen and selected by a majority of the Certificated Professional Teachers prior to the commencement of negotiations, as their representative organization for negotiations pursuant to the Idaho Code Idaho Code for the 2015-2016 school year.</p> <p>Such representation specifically excludes the Superintendent, Assistant Superintendent(s), District Directors, District Coordinators, District Level Administrators and Building Level Administrators.</p> <p style="text-align: right; margin-right: 100px;">Expires June 30, 2016</p>	
<p>_____</p> <p>School Board Representative</p> <p>Date: _____</p>	<p>_____</p> <p>Association Representative</p> <p>Date: _____</p>

- Amy – and on the third issue for old proposals was the organization of a bargaining set agenda. I do not have a counter proposal to that and I will not have a counter proposal and I want to explain why...I'll be forthright and honest with you...any time I have something that I'm not going to come back with a counter offer on, or is a matter I want to talk about, but may not necessarily be in the agreement, and I want to explain why and this one is actually particularly interesting...
 - ~ Amy –one, I don't want to bind next year's [negotiating] team...who knows who is going to be sitting here next year...but the biggest reason I'm not binding next year's team is what (*inaudible*) looked into at the start of this year, in February before you [Association] had even asked to start this session [negotiations], I received communication from the Board through the administration that they wanted to engage in negotiations this year through IBB, which I thought was a great idea, especially with the relationship-building problems.
 - ~ Amy – I looked high and low...I contacted the IEA...I contacted the ISBA, and there is nobody around right now that does IBB, so that we could have facilitators here [for current negotiations]. It is something that another district has since raised an interest as well, that they wanted to do it [IBB] as well, which it was a positive sign that the District recognized that the tone of the communication or the...to have a facilitator in to work with the parties.
 - ~ Amy – so we are working...there are a number of organizations that are working on finding an entity to retrain IBB facilitators, so that they will be available for next year's [negotiations]sessions. I'm assuming that given that there are at least two [school] districts that are interested in it, and the organizations that have been contacted, that that is going to happen. The only entity that I know of off the top of my head that does the training is Federal Mediation and Conciliation Services out of Portland, Oregon. We are looking for others because some people have used them [Federal

Mediation and Conciliation Services] in the past and were not pleased with the training, they [other organizations] didn't think it was neutral, they [Federal Mediation and Conciliation Services]...it didn't help both parties.

~ Amy – given that that's a Board interest, I didn't want to constrain how next year [negotiations] happens, because if you're going to have a facilitator come in here, I want them to have the option under the IBB format to set it up the way that works for IBB. That's why I didn't have a proposal...and that's probably the first time that you [Association] heard that they [District] tried to look for an IBB for this year, which I thought, was a good step, but obviously I couldn't find it...that's the reason why I didn't have a counter proposal that...knowing that's a Board interest...knowing that is an Administrative interest...I didn't want to prevent that from happening next year, because we had outlined how it must happen [agenda].

7. Amy – while I'm handing out papers [District proposals] why don't I keep going because Luke has to get to McCall and you [Luke] are cutting it too close. I did some homework, so I have a handful of new [District] proposals and they're related to the list of issues...it's not all of them because I didn't get that far...and I didn't want to overwhelm everybody...so I went through and started to do those [District proposals]...so that we would have those on the table for you to review for next time.

• Luke – before you go there Amy, I'm pretty sure that Kathy Yamamoto is trained from the IEA in Interest Based Bargaining [IBB].

~ Amy – she is the only one I know of, and it's a good thing there is two [IBB facilitators]...

~ Luke – ...and in the...time-wise, I totally get it...she is busy.

~ Amy – yes, she's busy and now there is something else that I need her help on.

~ Amy – and there are a few [IBB Facilitator] trained on the eastern side of the State, and I'll be honest ...this is what happened...they aided one side of the bargaining table and prepared for an actual emergency hearing [on the other side...so your neutrality went right out the window...nobody will touch them...so we're working towards getting more trained.

~ Rich – and I know we [Association] certainly appreciate if you would do that.

~ Amy – I'm kind of hopeful; especially once the second district came along and said we [they] are interested in this.

• Amy – okay the first one [District proposal] I have for you and this is the one that I said that I changed the duration [back to one year] is Leave Without Pay, and these aren't in any particular order of importance...it's just how my stack ended up.

• Amy – in the future...I always make at least two extras [copies] in case we end up writing on something and finalize of and that way she [Sharon] can have a final copy.

~ Amy – that's the proposal for Leave Without Pay, it would expired June 30, 2016, the reason I did that [wrote over typed duration date]...I was originally going to do two-years on this

[proposal]...was that as you go back and read [Idaho Code] 33-1275, leaves are one of the areas you [Districts] can't make two-years, so it is what it is.

~ (*the Association reviewed the District's first proposal*)

DISTRICT PROPOSAL NO. 1	Date Proposed: _____
<p>_____ LEAVE WITHOUT PAY</p> <p>Each Full-Time Certificated Professional Teacher may be granted a Leave of Absence Without Pay pursuant to the following:</p> <ol style="list-style-type: none"> 1. Leave of Absence Without Pay may be requested by a Full-Time Certificated Teacher, in writing. 2. The request shall state the reason for making such an application. 3. A Leave of Absence Without Pay may be granted by the Board of Trustees for: <ol style="list-style-type: none"> a. An extended illness, as documented by a physician's statement. b. Professional Improvement in the field of education, as documented by transcripts and professional papers. c. Child Rearing. d. Other reasons of an appropriate and/or personal nature. 4. Granting of Leave of Absence Without Pay is also dependent upon the availability of a qualified substitute employee and Board approval. <p>The length of a Leave of Absence Without Pay shall not exceed one (1) year. However, upon application to the Board and the determination of special circumstances by the Board, up to a one (1) year extension may be granted.</p>	
Expires June 30, 2017	
<p>_____</p> <p>School Board Representative</p> <p>Date: _____</p>	<p>_____</p> <p>Association Representative</p> <p>Date: _____</p>

- ~ Luke – so Amy I have a question on Leave Without Pay, [referencing] on [item] d. Other reasons of an appropriate and/or personal nature...so adoption might fall under something like that?
- ~ Amy – absolutely.
- ~ Luke – perfect, thank you.
- ~ Amy – I wanted to give both employer and employee some flexibility...capturing every circumstance is ...
- ~ Luke – ...yes, it's impossible.
- ~ Amy – yes, and I didn't want somebody penalized because it wasn't on the laundry list.
- Amy – the next one [District proposal] is Contract Year, it's pretty basic and to the point.
- ~ Luke – how many [contract] days do you have here in mountain home?
- ~ Amy – 187.
- ~ Rich – 187.
- ~ Amy – what was the maximum number of days you [Tim] had before the bottom dropped out [SDE significantly reduced funding]?
- ~ Terri – 190.
- ~ Amy – you are not alone in not being back to a full [190-day contract]...I'm sure Luke and Cliff and I could go on for about a week on that subject too.
- ~ Luke – on the orientation day...that will be paid...are they [new teachers] able to opt out?
- ~ Amy – let's talk about that...how has that been handled in the past...and I want to get your [Association] perspective and from the Administration's perspective...the first orientation for new teachers...has that been a mandatory day or has that been an optional day?

DISTRICT PROPOSAL NO. 1	Date Proposed: _____
_____ CONTRACT YEAR.	
Each Certificated Professional Teacher's Standard Teacher Contract shall be based upon a 187 day school year.	
Certificated Professional Teachers new to the District in the fall of 2015 shall have one additional day of duty associated with an orientation program. Such day will not be part of their base Standard Teacher Contract but will be compensated to the Certificated Professional Teacher at their daily rate of pay.	
Expires June 30, 2016	
_____	_____
School Board Representative	Association Representative
Date: _____	Date: _____

- ~ Tim – for new teachers...it's mandatory, obviously, unless there is an issue [emergency or conflict].
- ~ Amy – what happens during that day?
- ~ Tim – they do all their paperwork...it's a long day for them.
- ~ Amy – I'm getting nods from the audience...they remember well apparently.
- Amy – I just handed you [Association] the Extended Employment, which covers those people [certified employees] who have extra day contracts that they actually get paid for those extra days...again that's a one-year because salary is a one-year issue.
- Rich – have they...which...is good...I just...the...go back to the Contract Year, because we start school...we really haven't had an orientation day...have we had orientation days the last few years?
 - ~ Terri – they [new teachers] show up in your building and...
 - ~ Tim – that's part of...the problem last year was trying to add those two days back in [Board approved two additional contract days] and we [District] just didn't know where to put them...and that was part of the problem. I'd have to look at the calendar...to see where those days...orientation day...don't we have it first...
 - ~ Sharon – ...the teachers come back that Thursday before school starts, August 17...so it would be that Wednesday. Kelly usually schedules that for the new teachers.
 - ~ Rich – so it must be the 13th [Thursday, 13 August is the first day teachers return to work and is a PD Day]...or are you [Tim] going to do orientation that day?
 - ~ Tim – no...that is a PD Day.
 - ~ Sharon – they'll [new teachers] actually start the day before [12 August].
 - ~ (discussion continued on when the first day back for teachers was and when orientation was scheduled)

_____ **JOB SHARING.**

Two Certificated Professional Teachers may share one position with the approval of the District's Superintendent or the designee of the Superintendent. Job Sharing means that two Certificated Professional Teachers will share one full-time teaching position. Certificated Professional Teachers in such a circumstance will have their respective salary and benefits paid by the District based on a pro-rata percentage of student contact time that each performs under the Job Sharing arrangement.

Certificated Professional Teachers who wish to participate in Job Sharing must submit a proposal to their building principal on or before March 1st of the preceding school year. A Certificated Professional Teacher who wishes to share a job will have the primary responsibility for locating a Job Sharing partner. Both partners must meet all required hiring criteria established by the District.

Job Sharing arrangements, if any exist, will only be in place and approved for one school year at a time. If a Certificated Professional Teacher desires to continue Job Sharing after the first year, each successive year they must notify the Superintendent (or designee) of their desire to engage in Job Sharing for the next successive school year by March 1st.

Implementation of the Job Sharing program will be done for the welfare of the students and staff involved and shall not be approved if such involves any additional costs to the District. Flexibility will be encouraged. Every effort will likewise be made to assure that all Certificated Professional Teachers seeking out a Job Sharing opportunity are afforded equal treatment. Upon receipt of a written request for Job Sharing the building principal and the Superintendent (or designee) shall meet and evaluate the proposal on the following additional criteria:

1. Advantage to pupils
2. Advantage to the Certificated Professional Teachers
3. Advantages to the overall good of the School District
4. Estimated probability of success
5. Details of the division of responsibilities and manner of organization of the Job Sharing time schedule
6. Other instructional and administrative concerns.
7. Cost neutrality to the District.

When a Job Sharing arrangement is terminated, the Certificated Professional Teacher with the greatest seniority has the first option at the existing position that had previously been

addressed through Job Sharing. The other Certificated Professional Teacher shall be subject to the District's transfer policy.

Expires June 30, 2017

School Board Representative

Association Representative

Date: _____

Date: _____

- ~ Luke – I have a question...about the 4th paragraph down...it says that it shall not be approved if such involves any additional costs to the District...the only thing I'm worried about is if it involves a fulltime teacher who is getting paid this much [a certain amount] and they find a job-sharing partner that makes more money than they do...will that effect that cost and will it then nullify the job-sharing?
- ~ Amy – I understand what you are saying...let me talk to them [District] about it...I don't think that was the intent.
- ~ Luke - I didn't think so, I just worry that someone would be denied because the person that they want to job-share with makes more money.
- ~ Amy – let's clarify...
- ~ Luke – (*inaudible*) but according to this...
- Amy – here is another two-year one [District proposal] Elementary Preparation Time, because prep time is not something that is required to be one-year.

DISTRICT PROPOSAL NO. 1	Date Proposed: _____
<p>_____ ELEMENTARY PREPARATION TIME.</p> <p>Each Certificated Professional Teacher assigned to an elementary school position shall have thirty (30) minutes of continuous duty free preparation time each workday.</p> <p>In the event that the building administrator is required to alter the normal building schedule, elementary preparation time make likewise be altered.</p>	
Expires June 30, 2017	
<p>_____</p> <p>School Board Representative</p> <p>Date: _____</p>	<p>_____</p> <p>Association Representative</p> <p>Date: _____</p>

- Amy – here is the Secondary one [District proposal], Secondary Preparation Time, same concept versus Elementary.

DISTRICT PROPOSAL NO. 1	Date Proposed: _____
<p>_____ SECONDARY PREPARATION TIME.</p> <p>Each Certificated Professional Teacher assigned to a secondary school position shall have a minimum of one class period of continuous duty free preparation time each workday.</p> <p>In the event that the building administrator is required to alter the normal building schedule, secondary preparation time make likewise be altered.</p>	
Expires June 30, 2017	
_____	_____
School Board Representative	Association Representative
Date: _____	Date: _____

- ~ Luke – I’m sorry, so Elementary Prep Time, so it’s 30-minutes continuous duty-free prep each workday. I know I have worked in situations where you [teachers] don’t get it per day, but it’s more per week, because you might have PE and Library on the same day.
- ~ Amy – great question...do we have...we have an elementary teacher [Topher] so what’s going on in your world with prep time?
- ~ Topher – my prep time is mainly around our [HMS] “specials” and our specials include Computer, Music, and PE. As a teacher, we go to Library, so the three specials we have throughout the week are our allotted prep time because (*inaudible*) teacher and it’s more that 30-minutes.
- ~ Tim – ohhh I wouldn’t say that too loud around other elementary people.
- ~ Amy – is it 30-minutes per day or is it averaging to 30 minutes a day, because I think that’s where Luke’s question is headed.
- ~ Topher – due to the specials that we have, due to the schedules that we keep, we get an average of 30-minutes per day.
- ~ Amy – so we need to add an average of?
- ~ Luke – and then right there [referring to the proposal], “In the event that the building administrator is required to alter the normal building schedule, elementary preparation time may ~~make~~ likewise be altered.”
- ~ Amy – explain that to me.
- ~ Tim – ...no it should be “may” instead of “make.”
- ~ Topher – I have a question...if it’s an average of 30-minutes a workday...
- ~ Amy – we’re [table] going to change that [make the corrections].
- ~ Topher – does that mean 10-minutes here and 10-minutes there?
- ~ Amy – it does says continuous...one of ...maybe we should make that...do you think that would be clearer.
- ~ Luke – we might get into the “continuous” subject.

- ~ Amy – but we [table] all understand...it may be you [teachers] get 60-minutes on Tuesday and nothing on Wednesday...right? Is that the way it's working out?
- ~ Tim – it's not that way now...I'm looking at my elementary folks...it's every day you get 30-minutes.
- ~ (discussion with audience on elementary prep time)

DISTRICT PROPOSAL NO. 1 Date Proposed: _____

____ ELEMENTARY PREPARATION TIME.

Each Certificated Professional Teacher assigned to an elementary school position shall have *an* ~~average of~~ thirty (30) minutes of continuous duty free preparation time each workday.

In the event that the building administrator is required to alter the normal building schedule, elementary preparation time ~~make~~ *may* likewise be altered.

Expires June 30, 2017

School Board Representative
Date: _____

Association Representative
Date: _____

DISTRICT PROPOSAL NO. 1 Date Proposed: _____

____ SECONDARY PREPARATION TIME.

Each Certificated Professional Teacher assigned to a secondary school position shall have a minimum of one class period of continuous duty free preparation time each workday.

In the event that the building administrator is required to alter the normal building schedule, secondary preparation time ~~make~~ *may* likewise be altered.

Expires June 30, 2017

School Board Representative
Date: _____

Association Representative
Date: _____

- Rich – can we [Association] have a quick caucus?
 - ~ Amy – sure.
 - ~ (MHEA caucused 11:43 a.m. until 11:49 a.m.)
 - ~ Rich – thank you.
- Amy – I have two more [District proposals] to slide across [the table] here because Luke has to get to McCall.
 - ~ (small talk while Amy was handing out the rest of the District proposals)
 - ~ Amy – the next one [District proposal] is Reimbursement for Costs – In-Service and Related Training. I’m working on recertification concepts...remember that was on my list...I have to be honest with you my biggest problem with fixing it right now or dealing with it in a language context is the one-year, two-year law rule, because what you have typically done is \$500 in five years, and it’s a five-year provision that we [District] just put in the contract with a dollar sign next to it, so I’m trying to come up with a way to word it...I don’t...obviously I don’t want to violate code [Idaho Code], but I also recognize that \$100 a year isn’t the same as \$5 every five-years...because it’s where you [teachers] take your credits and everyone may not take them...so that’s something I’ll be working on.
 - ~ Amy – I’m not saying we can’t do it; we [table] may be able to still do it and just not put it in the contract...quite frankly...that way you [teachers] are still getting the benefit and not violation of Idaho Code. I understand that has been around awhile.
 - ~ Terri – it’s been around for a long time.
 - ~ Amy – it’s [language] not going anywhere, that may be one of those trust things...even though it may not be in the contract...you’ll [Association] have to trust that it will be taken care of, but I’m working on...trying to work on that language.

DISTRICT PROPOSAL NO. 1	Date Proposed: _____
<p>_____ REIMBURSEMENT FOR COSTS – IN-SERVICE AND RELATED TRAINING:</p> <p>The District shall pay the full cost of tuition and other reasonable expenses incurred in connection with any workshops, seminars, courses, conferences, in-service or other such training sessions for which the employee is required to attend by the District’s Administration.</p>	
Expires June 30, 2017	
<p>_____</p> <p>School Board Representative</p> <p>Date: _____</p>	<p>_____</p> <p>Association Representative</p> <p>Date: _____</p>

- Amy – the last one [District proposal] is just the Reimbursement for Costs – Traveling Staff, and this is language that I know is something that you [Association] have seen before and have dealt with before.

There is something fundamentally unfair about an employer requiring an employee to travel for their job and not reimburse them.

DISTRICT PROPOSAL NO. 1	Date Proposed: _____
_____ REIMBURSEMENT FOR COSTS – TRAVELING STAFF:	
A Certificated Professional Teacher may be eligible for travel reimbursement in the following situations:	
1. A Certificated Professional Teacher who uses their own personal automobile associated with an assignment to more than one (1) school per three (3) days.	
2. A Certificated Professional Teacher who is requested to use their own personal automobile in the performance of their duties for the District.	
Reimbursement shall be at the current District Rate Per Mile of driving as established in District Policy, for each mile of driving incurred subsequent to the Certificated Professional Teacher's arrival at the first school-related location and at the end of the day. The District will not compensate Certificated Professional Teachers for commuting to and from work.	
Verification of actual mileage will be done on District-provided forms.	
Expires June 30, 2017	
_____	_____
School Board Representative	Association Representative
Date: _____	Date: _____

- ~ Terri – can I ask a couple of questions around this?
- ~ Amy – which one [proposal]?
- ~ Terri – Reimbursement for [Cost] Traveling Staff, we currently have PE and Music teachers that are flipping back and forth, and they are in a specific building for one day, and then they are in another building the next day...that would not apply to them...or would it? Do they have a home base or are they truly assigned to each separate building?
- ~ Amy – let me clarify...they are assigned to a different building for different days...all day long?
- ~ Terri – all day long.
- ~ Amy – so like Monday they're commuting to one building and Tuesday they are commuting to and from another building...okay.
- ~ Terri – so [referring to Tim]...and now my next question...this would not apply to them because of the assignment to the building for the full day...the special education teacher at the Base Primary would split between that and I believe West.
- ~ Tim – yes.
- ~ Terri – now that would be a commute every day and I know we have done that in the past with our preschool people as well, is this where this would apply?
- ~ Tim – that's right...I believe.
- ~ Terri – can you [Tim] tell me who else this might be applicable to?

- ~ Amy – your questions are examples of when is this used...basically, that is your question...
- ~ Terri – Bobbie Lockett goes to Base on one day and West on the other, so this would not apply, I look at Christine because they drive together.
- ~ Tim – right, but now you are going to split special ed...
- ~ Terri – ...right when and when we had Erlinda at the preschool one morning at West and then at the Base that afternoon, she was driving back and forth. I would like some examples...choir and band [teachers].
- ~ Amy – it would be the same type of example list.
- ~ Terri – ...and G/T.
- ~ Amy – the thing is they [traveling teachers] may not put in for reimbursement, so we may have to get an example and then an educational piece to it.
- Rich – on the in-service part, so...like drama, they have their State workshop they have to go to every year, is that part of the cost of in-service and related training?
Amy – I view this as a cost for anything that they are required by the District to go to...so if the District says you [teacher] are going to this [example] special ed conference...
 - ~ Rich – so the District...
 - ~ Amy – ...so the District is driving it...the District is causing the bill to occur versus...
 - ~ Tim – ...when I read this, I looked at it as if...[example] if I put you [teacher] on an Improvement Plan and I require you to go to a workshop, the District pays for it [workshop].
- Terri – and with that said you [Amy] referred to the \$500 over five-years and that contractually...again that was put into place...
 - ~ Amy – ...a long time ago.
 - ~ Terri – we can continue the contract in effect, so that doesn't reflect this at all.
 - ~ Amy – no...I said that is the language...I'm still working to see if I can find a way to write that that doesn't violate the five-year, two-year, one-year rule, but conceptually it's something that is on the table that we are trying to resolve.
 - ~ Terri – thank you very much
 - ~ Amy – that's going to be the example...that if someone wants to go the drama workshop that they are getting a credit for, conceptually...totally on board...totally get it...it's just find a way to do that...
 - ~ Terri – without breaking the law.
- Amy – that's the last one [District proposal] I have for today. I have three more I'm working on, but I'm not there yet. For example, \$500 in five-years, sick leave...[all] language issues.
- Amy – do you [Rich] have any new proposals that you would like to slide across to me while we are on the new proposal category...I gave you a healthy chunk there...
 - ~ Rich – we have some stuff to work on so we'll wait until next time. I do...have that list...
 - ~ Amy – the [MHEA] issues list that I ask for...
 - ~ Rich – you [Amy] covered some of them on here so...but I will give you that [MHEA's issue list].
 - ~ Terri – ...it's nice to have things coming back across the table.
 - ~ Rich – it's not exclusive...some of them you gave us today... but I have those on there and I put...if it's highlighted... those are something...
 - ~ Amy – ...what you're [Association] interested talking about.
 - ~ Rich – the ones that aren't highlighted would be my (*inaudible*) also, but...
 - ~ Amy – ...but some of the issues to be ready to talk about and gather information on.
 - ~ Rich – this is just an old copy.
 - ~ Amy – ...an old copy?
 - ~ Rich – an old copy...looking at what [language] is coming back.

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Date Requested: June 3, 2015

- Amy – and I have a list of things that we obviously need to fill in information-wise between the insurance issues, your [Terri] examples issues on the travel, is there anything else that you [Association] can think of that wasn't related to insurance or list of travel issues we talked about?
 - ~ Luke – we need to see the documents that Cliff prepared for Rich.
 - ~ Amy – okay.
 - ~ Luke – we'll [Association] have to see if there is any more...
 - ~ Amy – ...that's fine...I understand...insurance info, and (*inaudible*), examples.
8. Amy – so do you [Rich] have a time where we can meet next? (*Rich passed Amy a list of possible dates*)
- Amy – let's shoot for the 8th ...at 9:00 a.m., is fine with me.
 - ~ Terri – and just understand that the later proposal [to meet in the evening] was so that Eric [Abrego – new trustee] could attend. Eric asked us [Association] if we could do that [hold negotiation meetings] later.
 - ~ (*discussion about meeting dates continued*)
 - ~ Sharon – so June 8th at 9:00 a.m.
 - ~ Amy – yes, June 8th at 9:00 a.m.
9. Luke – for the agenda...
- Amy – ...it will be pretty close to what we had today.
 - ~ Rich – you want me to print something like this [today's agenda] again?
 - ~ Amy – why don't you move "other" up above proposal, so we can cover the insurance...or information...all pieces...I don't care what you call it.
 - ~ Luke – the team [MHEA] would like to give a presentation too...on the budget.
 - ~ Amy – that's fine.

NEGOTIATIONS ENDED: 12:03 p.m.