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To: Board of Education Members

From: Dr. Mary B. Pfeiffer, District Administrator 

RE: 2012-2013 Compensation Plan for Administrative Staff and Exempt Personnel

Date: June 19, 2012

Following is a summary of my recommendation for adjustments to Exempt and Administrative compensation for the 2012-2013 school year.

For the Exempt Staff, I am recommending the following:

1. Salary Compensation

I am recommending that the Board of Education supports an overall salary increase and not to exceed 2.48%, creating an overall package decrease of -.74%. (Note: This percentage reflects a comparison of the same positions in the 2011-2012 and 2012-2013 school years.)

2. Health /Dental/Prescription Drug Plan - The exempt staff will be provided a choice of the following four health insurance options:

Option A: Effective January 1, 2013, the Board will offer a High Deductible Health Plan (HDHP) / Health Savings Account (HSA) with a 0% premium contribution by the employee. The 0% premium employee contribution HDHP / HSA will have a \$2500 (single plan) maximum out-of-pocket deductible and a \$5,000 (family plan) maximum out-of-pocket deductible. The Board will not contribute toward a 0% employee premium HDHP / HSA. The employee may contribute up to \$6,250 for a family plan or \$3,100 for a single plan.

Option B: Effective January 1, 2013, the Board will offer a High Deductible Health Plan (HDHP) / Health Savings Account (HSA). The Board will contribute \$1,000 (single plan) with \$1,500 maximum out-of-pocket deductible and \$2,000 (family plan) with a \$3,000 maximum out-of-pocket deductible. The Board will pay 87.4% of the lower cost (Network/United) Dual Choice HDHP/ HSA option with the employee paying the difference between the lower and higher cost option and the 12.6% premium contribution. The employee may contribute an additional \$4,250 for a family plan or contribute an additional \$2,100 for a single plan.

Option C: Effective January 1, 2013, the employee may elect a Dual Choice (Network or United) point-of-service (POS) health care plan. Employees electing the higher cost POS (Network or United) health plan will pay the difference in cost between the lower cost (Network/United) HDHP / HSA plan (Option B) option and the 12.6% premium contribution.

Option D: Voluntary Health Insurance Buyout. In exchange for relinquishing their participation in the District's health and prescription drug/dental plans, the District will pay directly to an employee \$2,000 for relinquishing a family health dental plan (must show compliance with law regarding access to other insurance). This payment will be made over the course of the employee's annual pay periods and will be subject to payroll tax withholding. This voluntary program will be offered on an annual basis at the District's discretion. This benefit does not apply to two (2) employees of the NJSD who qualify for one (1) health care plan.

Dental Insurance: The Board will provide group insurance coverage in a dental insurance plan. The Board will pay 87.4% of the required premium.

3. Wisconsin Retirement System (WRS) Contribution.

The Exempt Staff is provided a retirement benefit through the Wisconsin Retirement System (WRS). The Board of Education contributes to the WRS as required by law. The employees will pay the employee share to the WRS.

For the Administrative Staff, I am recommending the following:

1. Salary Compensation

I am recommending that the Board of Education supports an overall salary increase and not to exceed 2.69% (Note: This percentage reflects a comparison of the same positions in the 2011-2012 and 2012-2013 school years.). This recommendation would ultimately realize an overall package decrease of -3.10% and an overall salary decrease of -2.5% in the administrative group.

In the past three years, the salary ranges for administrators have remained constant. This approach was intentional and based upon the discrepancy in salary distribution. Additionally, in the past three years there have been salary freezes and reductions in order to establish greater equity among the entire administrative staff.

There were two significant factors contributing to the budget decrease of administrative salaries this year. We eliminated an Associate Principal position at Neenah High School as well as the position of Assistant District Administrator of Secondary Learning and Leadership. With the elimination of the Assistant District Administrator position, we added a Director of Curriculum, Instruction, and Assessment and realized the savings previously indicated.

2. Health /Dental/Prescription Drug Plan - The administrators will be provided a choice of the following four health insurance options:

Option A: Effective January 1, 2013, the Board will offer a High Deductible Health Plan (HDHP) / Health Savings Account (HSA) with a 0% premium contribution by the employee. The 0% premium employee contribution HDHP / HSA will have a \$2500 (single plan) maximum out-of-pocket deductible and a \$5,000 (family plan) maximum out-of-pocket deductible. The Board will not contribute toward a 0% employee premium HDHP / HSA. The employee may contribute up to \$6,250 for a family plan or \$3,100 for a single plan.

Option B: Effective January 1, 2013, the Board will offer a High Deductible Health Plan (HDHP) / Health Savings Account (HSA). The Board will contribute \$1,000 (single plan) with \$1,500 maximum out-of-pocket deductible and \$2,000 (family plan) with a \$3,000 maximum out-of-pocket deductible. The Board will pay 87.4% of the lower cost (Network/United) Dual Choice HDHP/ HSA option with the employee paying the difference between the lower and higher cost option and the 12.6% premium contribution. The employee may contribute an additional \$4,250 for a family plan or contribute an additional \$2,100 for a single plan.

Option C: Effective January 1, 2013, the employee may elect a Dual Choice (Network or United) point-of-service (POS) health care plan. Employees electing the higher cost POS (Network or United) health plan will pay the difference in cost between the lower cost (Network/United) HDHP / HSA plan (Option B) option and the 12.6% premium contribution.

Option D: Voluntary Health Insurance Buyout. In exchange for relinquishing their participation in the District's health and prescription drug/dental plans, the District will pay directly to an employee \$2,000 for relinquishing a family health dental plan (must show compliance with law regarding access to other insurance). This payment will be made over the course of the employee's annual pay periods and will be subject to payroll tax withholding. This voluntary program will be offered on an annual basis at the District's discretion. This benefit does not apply to two (2) employees of the NJSD who qualify for one (1) health care plan.

Dental Insurance: The Board will provide group insurance coverage in a dental insurance plan. The Board will pay 87.4% of the required premium.

3. Wisconsin Retirement System (WRS) Contribution.

The administrators are provided a retirement benefit through the Wisconsin Retirement System (WRS). The Board of Education contributes to the WRS as required by law. The employees will pay the employee share to the WRS.

For 2012-2013 school year, all employee groups will contribute to their Wisconsin Retirement System (WRS) benefit as determined by law.

It is my recommendation the Board of Education accept my proposal for administrative and exempt personnel salary increases and benefit changes as presented.