**Rationale for Proposal By: 191**

**Concern:** A brief description of the concern, including how prevalent of an issue it is and how it impacts our ability to work both effectively and efficiently. The concern also needs to state whether it is covered under PELRA to be addressed through negotiations or if it is a concern that needs to be addressed through other means:

 *Subdivision 1.* ***Inherent managerial policy.*** *A public employer is not required to meet and negotiate on matters of inherent managerial policy. Matters of inherent managerial policy include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure, selection of personnel, and direction and the number of personnel. No public employer shall sign an agreement which limits its right to select persons to serve as supervisory employees or state managers under section 43A.18, subdivision 3, or requires the use of seniority in their selection.*

*Subd. 2.* ***Meet and negotiate.*** *(a) A public employer has an obligation to meet and negotiate in good faith with the exclusive representative of public employees in an appropriate unit regarding grievance procedures and the terms and conditions of employment, but this obligation does not compel the public employer or its representative to agree to a proposal or require the making of a concession.*

*In addition, a public employer may, but does not have an obligation to, meet and negotiate in good faith with the exclusive representative of public employees in an appropriate unit regarding an employer contribution to the state of Minnesota deferred compensation plan authorized by section 356.24, paragraph (a), clause (4), within the limits set by section 356.24, paragraph (a), clause (4).*

**The District continues to face budget deficits with declining enrollment. Currently the District pays approximately $18 million in health insurance claims. The District is seeking to create flexibility for the Benefits Committee to assure the most cost effective and employee friendly benefits remain in place. Currently the teachers’ unit is the last unit to agree to move to a fixed rate of contribution for HRA’s (Health Reimbursement Accounts). While restrictive language remains in contract language, the Benefits Committee is limited on proposing cost-effect options for Board approval. Also, the District desires to move to a flat rate for insurance contribution from a percentage. A percentage approach has a built-in increase without the ability to negotiate a contribution rate in consideration of the total package.**

**Desired Outcome:** A brief description of a vision of what conditions would look like if the concerns were addressed.

**Remove language that limits the flexibility to review and adjust policy plans to be cost effective and employee friendly while aligning it with language in other employee groups.**

**Proposed Language:** Written proposed contract language to solve the concern. This is the language that will change with proposals from each party. Please include the location of the language, i.e. Article, Section, Subd.

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| APPENDIX A Adult Basic Education (ABE) Early Childhood & Family Education (ECFE) Section 8. Group Insurance. Subd. 1. Effective July 1, ~~2014~~ 2021, for all teachers who are employed 736 hours or more, who are employed by the School District, who qualify for and are enrolled in the health care insurance plan, the School District will contribute ~~the equivalent value of 95% of the~~ $893 monthly toward the single, (composite) premium. ~~The composite premium shall be based on a health care insurance plan with an HRA (Health Reimbursement Account) whereby the HRA and the in-network deductible equals the in-network out of pocket maximum.~~ The composite premium will be based on a health care insurance plan with an HRA (Health Reimbursement Account) whereby $1,000 annually shall be redirected by the district to the HRA. The remainder shall be borne by the employee. Effective July 1, 2022, for all teachers who are employed 736 hours or more, who are employed by the School District, who qualify for and are enrolled in the health care insurance plan, the School District will contribute $913 monthly toward the single, (composite) premium. The composite premium will be based on a health care insurance plan with an HRA (Health Reimbursement Account) whereby $1,000 annually shall be redirected by the district to the HRA. The remainder shall be borne by the employee.1. Subd. 2. Effective July 1, ~~2014~~ 2021, for a teacher with dependent coverage ~~shall contribute the equivalent value of 20% of the monthly, composite premium as defined in Subd. 1. The balance of the premium shall be paid by the District.~~ the School District will contribute $1,890 monthly toward the family, (composite) premium. The composite premium will be based on a health care insurance plan with an HRA (Health Reimbursement Account) whereby $2,000 annually shall be redirected by the district to the HRA. The balance of the premium shall be paid by the employee. Effective July 1, 2022, for all teachers who have a full-time assignment, who are employed by the School District, who qualify for and are enrolled in the health care insurance plan, the School District will contribute $1,934 monthly toward the family, (composite) premium. The composite premium will be based on a health care insurance plan with an HRA (Health Reimbursement Account) whereby $2,000 annually shall be redirected by the district to the HRA. The balance of the premium shall be paid by the employee.
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***Adjust other related language items.***

**Implications of Proposed Language:** Identify implications for student achievement, staff engagement and financial impact.

**This would not create a change to the current HRA contribution. It would only allow the Benefit Committee flexibility.**