

# mta CONTACT

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## Why Is the Blue Cross Payroll Deduction So High?

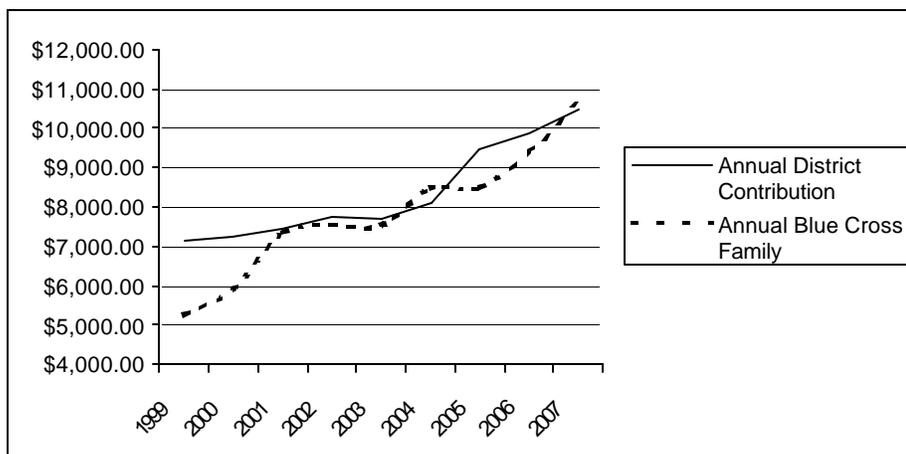
In 1994 the District and the Association agreed on a gross cap for insurance costs in the contract. This was a settlement that had gone through impasse, mediation, and factfinding. This contract included a cut in pay for all Bargaining Unit members except Adult Education.

A fixed amount was determined for each employee and deposited into an account. The agreement was to increase the contribution by the District to the account each year by the same percentage as the State increased the District allocation. In other words, a 4 percent COLA meant a 4 percent increase in the contribution.

The Joint Health and Welfare Committee was designated to oversee the account. The money was to pay for all insurance: major medical, dental, vision, long term care, life insurance, and EASE.

In the mid 1990s the increases in the contribution were larger than the increases in the costs of the insurance. Additionally, interest rates were relatively high. The fund did quite well. The trend reversed in the beginning of the new century. The fund spent the surplus from the prior years. In 2005 the contribution was raised in negotiations by 2 percent of salary.

The chart below illustrates how the cost of Blue Cross Family insurance has surpassed the District contribution. The major medical is one component of the overall costs. Dental, vision, long term care, life insurance, and EASE are additional costs. Many Bargaining Unit members elect California Care or Kaiser which costs the fund less and helps to balance the spending. The original contract language stated that any overage in costs would be borne by the Bargaining Unit member. This is the language that allowed for the initiation of those who elect Blue Cross family to pay out-of-pocket for the coverage.



## **b**argaining update

The delay in the State budget will impact local negotiations. The next bargaining date is Monday, August 27. However, the State, County, and District take about 6 weeks to interpret much of the impact of the complex State budget.

CTA has mounted a statewide mobilization to stave off the demands of Republican Senators to slash additional funding from the pending 2007-2008 state budget.

### No More Cuts in Education

CTA, the Education Coalition, Supt. of Public Instruction Jack O'Connell and others lobbied lawmakers all during the budget deliberations with a simple message: fully fund public education.

"California teachers urge state senators to protect funding for California public schools and end the budget standoff by adopting the Assembly-passed budget proposal and rejecting a package of tax breaks for big businesses. It's time to show that public education really is a top priority in this state. Cutting school funding sends the wrong message to our kids and is not what the voters of California want."

The ongoing efforts aim to protect Cost-of-Living Adjustment (COLA) funds desperately needed by K-12 schools and the state's beleaguered community colleges that help them cope with the corrosive effects of inflation.