



Concerned Taxpayers of Monroe Woodbury

On the web: <http://ctmw.org>

47 East Crossman Avenue
Monroe, NY 10950

Claire Perez, President
And Board of Education Members
Monroe-Woodbury CSD
Central Valley, NY 10917

June 9, 2004

Subject: Specific Tax Money Saving Recommendations

Dear Mrs. Perez and Board Members;

As the chief fiscal officer of the Monroe-Woodbury Central School District, and all board members, we implore you, nay demand, that you make significant changes in the spending of taxpayer provided funds. We have listened to you, other board members, and administrators talk about your *hands being tied* with respect to budget expenses, that you can't do much about...costs which you don't have any control of. Well, that time is over. More than 70% of the costs to us are personnel costs. You are currently negotiating four contract renewals.

You have control over how these contracts are written. We will give you some very specific recommendations, based on your past performance, of exactly where you ought to make these changes. You cannot continue to be so generous with our tax dollars. It is disingenuous to claim that growth is the single most important factor driving our budget. Of the \$9.13M total budget increase, \$7.62M of this increase is due to personnel considerations and only \$957K is connected to new personnel costs!! No matter how we look at it we cannot figure out how you think the increases in the budget are strictly growth driven. We have taken a good long look at past practices. We've also taken an in-depth look at our districts performance compared with similar schools in New York. Our analysis shows that we have average performance but at higher costs than even school districts on Long Island. No matter what the reasons for how we got to where we are ***this is an excellent opportunity to make that change.***

Our group has initiated actions at the state level to do what we can to effect positive changes there. Here, where our local tax dollars comprise some 70% of the district's budget, is where you can and must make these significant changes. Without your decisive action our district will continue in its average performance for a price that is driving our seniors, some of whom have lived their entire lives here, away. Prudent spending of our tax dollars must start here and now.

Our first recommendation is simple, and seemingly insignificant in its amount. But it is indicative of a fiscal policy which caters to employees rather than protect taxpayers from wasteful spending. In the new superintendent's contract we strongly recommend that no district-provided vehicle be given. In this litigious society in which we live this is a prudent measure. Although the actual vehicle expense is not much, it is the potential which we want you to safeguard our dollars from. Should an employee be involved in an accident and the idea of whether or not he is conducting school business is in any doubt we could face a significant lawsuit. That is money we

don't need to spend. Because an employee used a vehicle for personal reasons claiming it was official we do not need to be defending ourselves in court. This practice *could* lead to a lawsuit we can ill afford. The past statements by Mr. Olivo that “*virtually everything I do is district business*” are what could cost us dearly. Washingtonville school district does not provide a vehicle nor do most districts in New York state. As you wrote in the Photo News, a mere 26% of superintendents have a vehicle provided. Stop this practice now. Although we think that a civil servant paid as much as you will pay the new superintendent doesn't need a vehicle we would prefer you pay her a stipend based upon actual documented requests. And this money should be reported so that the superintendent can deduct what was paid on her income tax where she can take a tax deduction like other citizens when using a personal vehicle for official business. It would be more prudent to provide a vehicle at the Education Center for the superintendent's (and other employees) use during the day like other districts such as Washingtonville do.

In summary: No district provided vehicle perk to the superintendent nor any employee; make a vehicle available at the Ed Center for top administrators to use during the business day; if absolutely necessary, pay the superintendent a stipend for documented transportation.

Our next recommendation has to do with health care. This component has two areas in which we feel you can make significant savings. The first area has to do with who our health care provider is. According to Mr. Moscati in the 15 or so years since the district went to self-insurance through the Orange-Ulster BOCES you have not, not even once, had another health care provider give you a bid for our business. This lack of looking out for the taxpayer is a grievous mistake that is costing us millions of dollars each year.

You currently pay \$12,948 per family premium and \$5,916 for single coverage per year. We've looked at over 20 health care plans (we've enclosed the data we found so you don't have to do much effort) that other employees in the Hudson Valley could choose from and *discovered that only three are more expensive than our plan!!* That's right, 17 other plans are cheaper for the businesses employing those other employees. We urge you to immediately initiate competitive bids for health care for our employees. Even if you choose the Empire Plan which tens of thousands of civil servants in New York have (which could interpret it as “union friendly”), our first year savings will be more than \$1.2M...which is a full 1% in tax savings for district taxpayers.

In summary: Even a switch to the Empire Plan will result in a savings to the district of \$1,234,111 right now! You currently have 600 employees at \$12,948 per year premium for family coverage; 216 employees at \$5,916 per year premium for individual coverage. The Empire Plan costs us \$11,097 and \$5,258 in premiums respectively yielding a more than 1% tax reduction for district tax payers!! Even more if you adopt our next recommendation.

The third recommendation we have concerns employee contribution to those health care premiums. We looked carefully at what other districts, some larger some smaller, and what many businesses and government organizations require of their employees. Even amongst our group we had a difference of opinion as to what to recommend, except that we all felt that our employees must make a contribution to their health care. In keeping with our stated mission we make the following minimum recommendations for each employee group:

- For our least paid employees; the CSEA employees and the Clerical, Cafeteria, Aides, and Monitors and Teaching Assistants: 5% of the annual premium without any cap. (The CSEA contract currently calls for 25% premium but is capped at \$500. This works out to 3.8% for family coverage and 8.5% for single coverage. Our proposal would even this out so all pay a fair share of 5%)
- For our teachers: 10% of the annual premium without any cap.
- For our administrators: 15% of the annual premium without any cap.
- For the superintendent and assistant superintendent's (and all employees with a personal contract with the district): 20% of the annual premium without any cap.

These contributions should be immediate for all employees with no retroactive provisions or grandfather clauses. A check with the employee relations board in Albany has shown that other districts and other government organizations throughout the state have been making drastic changes to union contracts for the last few years with changes just like these. We know it can be done and demand that you do it too.

We do not advocate making any changes to retiree contributions for current retirees. However for future retirees we urge you to examine this issue and make appropriate changes.

Our fourth recommendation has to do with employee annual raises. Our focus is on teacher salaries, our largest employee group, but it applies across the board. In the past three years some employees have received as much as 16% to almost 30% increases in salary in as few as two years! The inflation rate has been around 2% during that time...we noticed. Our teachers salary tables consist of only 14 steps with them getting a step increase each year along with the annual raise from year to year. This resulted in single year increases from just over 5% to almost 25% for one employee in one year!! Wouldn't we all like to get such raises from our employers!! You can see this at: <http://ctmw.org/Excel/Selected-Teacher-Appendix-B-Contract-Analysis.htm> What our research found was that most school districts work on a much longer step chart. Many as long as 29 steps. The federal government takes 18 years to complete it's 10 step pay chart by varying the length of time between steps. Some, like the first three steps come each year as our teachers get. Then they come every other year for several steps, and finally the last steps come at three year intervals. During the ensuing intervals without a step increase those employees get just the annual raise...which is tied to the inflation rate. Imagine that!?

We recommend that you either revamp all employee pay tables to be more in line with other districts by extending them out to 29 or so steps (with much less increases including the cost of living) or adopt a shortened table like the feds have. And our strongest recommendation is to tie the annual increase from table to table to the inflation rate. That's right. Set the table each year according to what the inflation rate has actually been plus a reasonable $\frac{1}{2}$ or $\frac{3}{4}$ % greater than the actual increase in the cost of living. Although this may not prove a savings immediately we feel that it will be a long term savings to the taxpayer. Please do it in these contracts now being negotiated. You can do it.

Our last recommendation has to do with employee incentives. Our employees know best where we waste money. The federal and state governments have known this for years. They both have active and alive employee incentive programs. These programs reward employees for identifying waste, fraud, and abuse. They guarantee the employee the freedom to speak and they reward employees for ideas which save actual money. What an idea! Tell us how to save \$10,000 in real costs over a set time frame and reward the employee with a bonus of a specific percentage...10% would be the minimum we recommend. It's a win-win situation for the district, the employees and the taxpayers. And it won't cost you a dime to implement!

In closing we urge you to become more of an open government organization. District policies as well as other information should be easy to obtain. Districts like Putnam Valley place their policies on line at <http://putnamvalleyschools.org/PVPubs/BPM/BPMidx.html> and districts such as South Huntington on Long Island have excellent web sites like at: <http://www.shuntington.k12.ny.us/> with up-to-date information for employees and taxpayers alike. We urge you to do so. We look forward to your video taping meetings and broadcasting them soon.

Your action on all current contracts in negotiation will speak much louder than any words you may utter. The taxpayers of this district are looking closely at all that you spend money on. You must stop being so generous with other peoples money. You must act now.

Sincerely,



John C. Collins
CTMW Public Spokesperson

Encl.
Empire Plan Costs
Insurance Plans Costs

We found the following health insurance plans for both private and public sector employees in the Hudson Valley. From this informal survey of employer's in our area it is easy to see that Monroe-Woodbury CSD is in the minority regarding health care costs to the plan and the individual.

Plan Name/Company	Family Annual Cost ¹	Individual Annual Cost ¹	Employee Portion Family/Indiv ²
Blue Cross & Blue Shield	\$10,139	\$4,427	29%/29%
Aetna Health, Inc.	\$10,336	\$4,199	30%/25%
Aetna Health Fund	\$7,740	\$3,365	25%/25%
CDPHP	\$10,440	\$4,080	31%/25%
Blue Choice	\$7,826	\$3,122	25%/25%
CDPHP	\$10,144	\$3,958	29%/25%
GHI Health Plan	\$12,035	\$3,814	40%/34%
Empire Plan	\$11,097	\$5,258	25%/15%
GHI HMO	\$11,388	\$4,584	37%/31%
HMO Blue	\$14,010	\$5,486	49%/42%
HIP of Greater NY	\$10,634	\$3,798	32%/25%
GHI Standard	\$10,327	\$4,130	30%/25%
Independent Health Assoc	\$7,648	\$2,732	25%/25%
PBP Health Plan	\$17,078	\$7,915	58%/60%
Aetna	\$17,736	\$7,887	0%/0%
MVP Health Care	\$9,417	\$3,647	25%/25%
Preferred Care	\$8,299	\$3,106	25%/25%
Univera Healthcare	\$9,965	\$3,761	28%/25%
Vytra Health Plans	\$11,968	\$4,563	40%/31%
MVP Health Care	\$9,674	\$3,745	26%/25%

¹ Total cost for the policy that both employee and employer pay.

² This is the percentage of the annual premium that the employee pays for this plan; this varies between different employers



Employee Benefits Division
State of New York Department of Civil Service

Participating Agency Cost Estimate Calculator

Empire Plan - Core Plus 2004

Rate Per Coverage Type	2004 Monthly Rate	Enter the Total Number of Individual Enrollees in Each Coverage Type	Total
Individual Coverage	\$438.15	<input type="text" value="216"/> =	\$ <input type="text" value="94640.40"/>
Family Coverage (Individuals & Dependents)	\$924.74	<input type="text" value="600"/> =	\$ <input type="text" value="554844.00"/>
Medicare-primary - Individual	\$334.22	<input type="text" value="0"/> =	\$ <input type="text" value="0.00"/>
Medicare-primary - Family (with one Medicare)	\$820.82	<input type="text" value="0"/> =	\$ <input type="text" value="0.00"/>
Medicare-primary - Family (with two Medicare)	\$716.88	<input type="text" value="0"/> =	\$ <input type="text" value="0.00"/>
Total Number of Individual Enrollees:		<input type="text" value="816"/>	Total Monthly Premium: \$ <input type="text" value="649484.40"/>

Other Monthly Charges

Administrative Charge Per Enrollee	\$1.913 x Total Enrollees as Reported Above =	\$ <input type="text" value="1561.01"/>
Medicare Reimbursement (If Agency covers Medicare primary enrollees)	\$66.60 x <input type="text" value="0"/> (Enter total # of Medicare Primary Enrollees and Dependents) =	\$ <input type="text" value="0.00"/> Total Medicare Reimbursement
Total Monthly Cost to Agency:		\$ <input type="text" value="651045.41"/>
Total Annual Cost:		\$ <input type="text" value="7812544.90"/>

If your browser does not support Javascript, or Javascript is disabled, please click the "Calculate" button below.



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**MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
BOARD OF EDUCATION**

EDUCATION CENTER, 278 ROUTE 32, CENTRAL VALLEY, NEW YORK 10917- (845) 928-2321- FAX (845) 928-9337 •mw.k12.ny.us

June 28, 2004

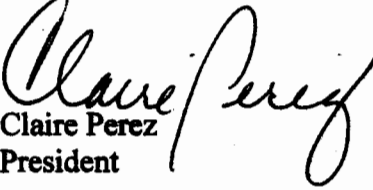
Concerned Taxpayers of Monroe-Woodbury
ATTN: John C. Collins
47 East Crossman Avenue
Monroe, New York 10950

Dear Mr. Collins:

The Board of Education is in receipt of your correspondence dated June 9.

Thank you for taking the time to forward the responses that were received in response to your organization's request for public comment. We are always pleased to receive suggestions from members of the community and will, as we do with all comments and input received from taxpayers and parents, bear these in mind as we move ahead to confront the many and varied challenges that will be facing the district in the coming year.

Very truly yours,


Claire Perez
President

Cc: Board of Education