



Ridgewood Board of Education

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October 10, 2016

Dear members of the Ridgewood community:

Tonight the Board of Education (Board) formally approved the three-year contract with the Ridgewood Education Association (REA) that was ratified by the REA on September 28th.

Highlights of the contract include the following:

- **Term:** 3 Years: July 1, 2015 through June 30, 2018.
- **Salaries:** A 1% increase for the first year of the contract (2015-16). For 2016-17 and 2017-18, salary increases of 2.7% per year, inclusive of the cost of the incremental movement (vertical step movement) on the salary guides. That is equivalent to a compound annual growth rate of 2.13% over the life of the contract.

Importantly, the approved contract assures that our salaries will continue to be competitive, allowing our district to attract and retain highly qualified teachers.

- **Health Benefits:** Current REA members may continue to enroll in NJ Direct 10 or in any of the 20 plans offered by the state under the School Employee Health Benefit Plans (SEHBP). Employees hired on or after September 12, 2016 may not enroll in NJ Direct 10 before reaching tenure, but instead shall enroll in the NJ Direct 15 or any other state-offered school employee medical plan.
- **Chapter 78 Health Benefit Employee Contributions:** The rates by which Ridgewood teachers contribute to their individual healthcare premiums is determined by a graduated structure, with employees at higher end of salary grades paying a greater percentage of their individual premiums than those at the lower end. Effective January 1, 2017, full-time teachers will pay between 14% and 26% of the premium cost for their medical, prescription and dental benefits; full-time secretaries will pay between 10% and 14% of the total premium cost. As an example, using an 8.6% increase for the 2017 NJ Direct 10 premiums, teachers enrolling in single coverage would contribute between \$1,635 (14%) and \$3,036 (26%) for the year. Teachers choosing family coverage would contribute between \$4,676 (14%) and \$8,684 (26%).

According to the latest Kaiser Family 2016 survey, the average U.S. worker pays \$1,129 per year for single (employee-only) medical coverage and \$5,277 for dependent/family medical coverage.

Last May, the state-appointed fact finder recommended a settlement that would have cost the District \$4.4 million over the 2% cap during the life of the three-year contract. The Board rejected this recommendation, believing that the fact finder ignored the district's ability to fund his suggested settlement. The contract approved today reduced this excess by almost half to \$2.5 million over the 2% cap.

The Board and administration are now tasked with the challenge of funding the contract, which will require budgetary reductions next year that will result in changes to staffing and programming. While it would be unrealistic to expect that a spending reduction of this magnitude will be without consequences to the district, when preparing the 2017-18 budget the Board will work closely with Dr. Fishbein to identify reductions that will have the least impact on the instructional programs and extra-curricular offerings.

Notwithstanding the upcoming challenges, we are pleased to be moving forward and are confident that the 2016-17 school year will be successful as we all focus on what unites us as a community, the education of our children and our excellent schools.

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