

# Hooksett School Board

## Chair's Report

January, 2023



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### Proposed Contract Amendment with HESPA

The Hooksett School Board (HSB) and Hooksett Education Support Professionals Association (HESPA) have both approved a proposed amendment to the final year of the current three-year agreement, starting July 1, 2023. The contract amendment will be on the March, 2023 ballot for consideration by Hooksett residents.

The proposal adds \$4.00/hour to the hourly rates of these positions, to make the rates competitive in the current job market. The agreement with HESPA covers a variety of school support positions such as paraprofessionals, administrative assistants, tutors, and school nutrition (lunchroom, etc.) and building maintenance staff.

It's impossible to overlook how much salaries for certain positions have increased in the last year or two. For example, a nearby fast-food franchise is advertising positions starting at \$15/hour with retirement incentives. The new hire hourly rate for Nutrition Assistants in the current contract is \$10.92/hour. New hire rates for other positions currently range from \$13.00/hour for Custodian and Paraeducator to \$18.72/hour for a Title 1 Tutor. With Hooksett School District paying rates far below alternative employers, it has been very difficult to retain and recruit staff in these positions. We appreciate the folks who have stayed with us.

The inability to fill open positions has required using contracting agencies, which pay contract staff higher wages and also charge for the service of finding and placing contract employees.

### Proposed Contract with HEA

The Hooksett School Board (HSB) and Hooksett Education Association (HEA) have both ratified a proposed labor agreement for three years starting July 1, 2023. A total of 107.45 positions, some part time, are covered by the agreement. The contract will be on the March, 2023 ballot for consideration by Hooksett residents.

The contract has a total projected cost increase of \$1.3 million over 3 years for salary, the New Hampshire Retirement System (NHRS) employer pension contribution of ~20% of salary, and taxes (FICA) on the salary increases. These costs increase approximately 3.1% per year over the current 2023-24 contract, but are partially offset by increased employee health insurance contributions.

Notably, the contract:

1. Adjusts the salary step schedule in a way you've probably never seen before. It reduces the decades-long 112% pay gap between lowest paid and highest paid employees to 93% by increasing salary steps uniformly from \$1,880 to \$2,112 per year. It reduces the schedule from 22 steps to 21, and provides a consistent extra maximum step per education track of six tracks terminating from BA step 16 through MA+30 step 21.

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Bonuses of \$1,805 in year 1 to \$1,400 in year 3 are given to the 15.6 staff currently in eliminated steps.

2. Raises the hourly rate for off-hour work to \$40/hour from \$25/hour, beyond the seven hour teacher workday for staff per the employee handbook. Examples include delayed bus duty, before school activities, workshops, or chaperoning a trip.
3. Reduces the years of service requirements for yearly longevity bonuses of \$500, \$750, and \$1,000 to fifteen, twenty, and twenty-five years, respectively.
4. Provides a second opportunity for staff to utilize the sick day bank for extended illness, up to 60 days.
5. Codifies staff input into the class scheduling process.
6. Increases the reimbursement for employees not taking the health plan to \$2,500, from \$1,500.
7. Increases employee contributions for the health insurance plan required by the contract, from 15.5% to 20% for Family and Single+1 plans. The Single plan contribution increases to 12%.
8. Implements a \$1,000 penalty for late teacher resignations in violation of contract, within a month of the start of school.
9. Introduces a cap to the number of retirement bonuses, of six, in the third year. Retirement bonuses continue to be \$28,000 throughout the contract.

### **Getting a handle on insurance**

For the 2023-24 school year, rates for the specific health insurance plan required by the contract will increase by 10.3%. Specific plan rates will be Single: \$13,164; Single+1: \$26,328; Family: \$35,544. Today's employee contribution portion of 15.5% is below that paid by many taxpayers or other municipal entities, which are commonly 20% but may effectively reach 40% for a high-deductible plan. The contract raises the employee contribution 1.5% per year to 20% in the third year for plans covering family members. Employee contributions stop at 12% for the Single plan, since it is a lower cost to the district and is often the plan selected by staff in lower steps.

### **Becoming more competitive**

The current salary schedule presents other costs to the school district, by virtue of the huge gulf between bottom and top paid staff, and the schedule's lopsided arrangement and uncommonly long schedule compared to most other NH districts. Frankly, Hooksett is not competitive in the bottom and middle tiers.

The situation of the top of the chart making 212% of the bottom has existed for at least fifteen years, which is the oldest data tracked by the NH Department of Education. Back then, the chart only had 18 steps. The following years created some step inflation at BA+30 through MA+30 growing the chart to 22 steps. Most other school districts in NH have salary step charts with 20 or fewer steps.

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A typical cost of living adjustment to a contract, for instance a one or two percent a year increase, yields a much larger impact in real dollars at higher ranges than it does at lower ranges. In Hooksett, that 212% relationship would be unchanged, with a 2% BA step 1 increase of \$777 vs. \$1,651 at MA+30 step 22. **The Hooksett School Board specifically sought to pull up the lower and middle position salaries.** Negotiations produced a unique set of salary step charts that raise steps by a fairly consistent dollar amount, instead of a consistent percentage. **Doing so closed the gap between lowest and highest paid positions by 19%.**

The salary step schedule solves three issues for the district.

1. **The insurance issue:** As the School Board asks staff to take a larger portion of health insurance expense, the situation more commonly seen by taxpayers, the dollar amount increase in employee health contribution is a much larger portion of a lower tier salary. A dollars-based (vs. percentage-based) cost of living increase offsets that more fairly.
2. **The recruiting issue:** The traditional way to moderate staff expense, and to balance experience with fresh perspectives, is to have staff throughout the salary chart. When expensive senior staff retire, they are traditionally replaced with staff lower in the chart. But since Hooksett Schools District is less competitive in the lower job grades, it has to recruit higher in the chart. Also, the arrangement of lower salary and lower employee insurance contribution penalizes Hooksett School District as a potential employer when candidates job shop and see higher salaries elsewhere.
3. **The retention issue:** Simply put, Hooksett has lost good teachers because they've found more money elsewhere. It is a cost to the district, both in money and time, to recruit and train replacements.

### Compared to last time

In 2020, Hooksett voters approved the current contract with HEA. It had a total cost of \$890,000, and increased employee insurance contributions by 3%.

### The fun math details!

Today, the smallest paying cell in our chart, BA step 1, makes \$38,844 salary, and the district further pays \$7,629 for NH Retirement. The top of the chart, MA+30 step 22, makes \$82,530, and also earns a \$16,209 contribution to NH retirement. 98 staff take various forms of health and dental insurance costing from \$12,465 to \$34,091. The average year is 36 work weeks.

For those 98 staff, the 1.5% increase in employee insurance contribution reduces the district cost by about \$38,000 next year. We can't officially represent the cost savings of the increasing employee contribution beyond the known rate for next year... but, assuming the same insurance cost the following two years, the district savings in year 2 and 3 accumulate to roughly \$69,000 and \$100,000.

Two charts may help visualize the salary progression and district costs.

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Starting teaching with a Bachelor's degree, getting step increases plus cost of living:

Track, step	BA 1 (this yr)	BA 2	BA 3	BA 4
Proposed Salary	\$38,844	\$42,750	\$46,500	\$50,200
Employer NHRS contrib	\$7,629	\$8,396	\$9,133	\$9,859
Employer health ins contrib (family)	\$27,241	\$29,502	\$28,968	\$28,435
Employer dental ins contrib (family)	\$1,760	\$1,760	\$1,760	\$1,760
Total: salary, nhrs, insurance	\$75,474	\$82,408	\$86,361	\$90,254
Total / week worked (36 wks)	\$2,097	\$2,289	\$2,399	\$2,507

Senior staff member with a Master's degree plus 30 credits, at 21 years teaching gets cost of living but no step increases:

Track, step	MA30 21	MA30 21	MA30 21	MA30 21
Proposed Salary	\$80,724	\$82,725	\$84,680	\$86,560
Employer NHRS contrib	\$15,854	\$16,247	\$16,631	\$17,000
Employer health ins contrib	\$27,241	\$29,502	\$28,968	\$28,435
Employer dental ins contrib	\$1,760	\$1,760	\$1,760	\$1,760
Total: salary, nhrs, insurance	\$125,579	\$130,234	\$132,039	\$133,756
Total / week worked (36 wks)	\$3,488	\$3,618	\$3,668	\$3,715

### Finally

I'd like to thank both HSB and HEA for their support of the contract; my collaborators on the HSB negotiating committee: Board Member Tremblay, Superintendent Rearick, Business Administrator Izbicki, and attorney Phillips; and the HEA negotiating committee: Ms. Collins, Mr. Fleury, Ms. Rehm, Ms. Salcito, Ms. Field, Ms. Curran, and UniServ Director Sanchez.

Respectfully submitted,

Wayne Goertel  
Hooksett School Board Chair

*The mission of the Hooksett School District is to develop a community of learners who are intellectually curious, resourceful, and respectful of self and others. Academic achievement, through constantly improving standards, is the District's highest priority.*