



Thank you for providing us with your rationale as to the need to eliminate the PSRP for new hires. The IEASO team found it very helpful in considering your point of view. We appreciate IEA’s concern about the uncertainty of the PSRP costs in the future and the anticipated escalation of the costs in the immediate future.

IEA and IEASO together have traversed a very rocky path that was beyond our control. We knew we would be facing the loss of Fair Share and didn’t know what impact that would have on our membership numbers. We also had to plan for the increasing costs of the PSRP due to the many factors you noted in the rationale you provided. We’ve traversed that road together – successfully, but it seems that the two parties have walked away with two very different perspectives from that shared experience.

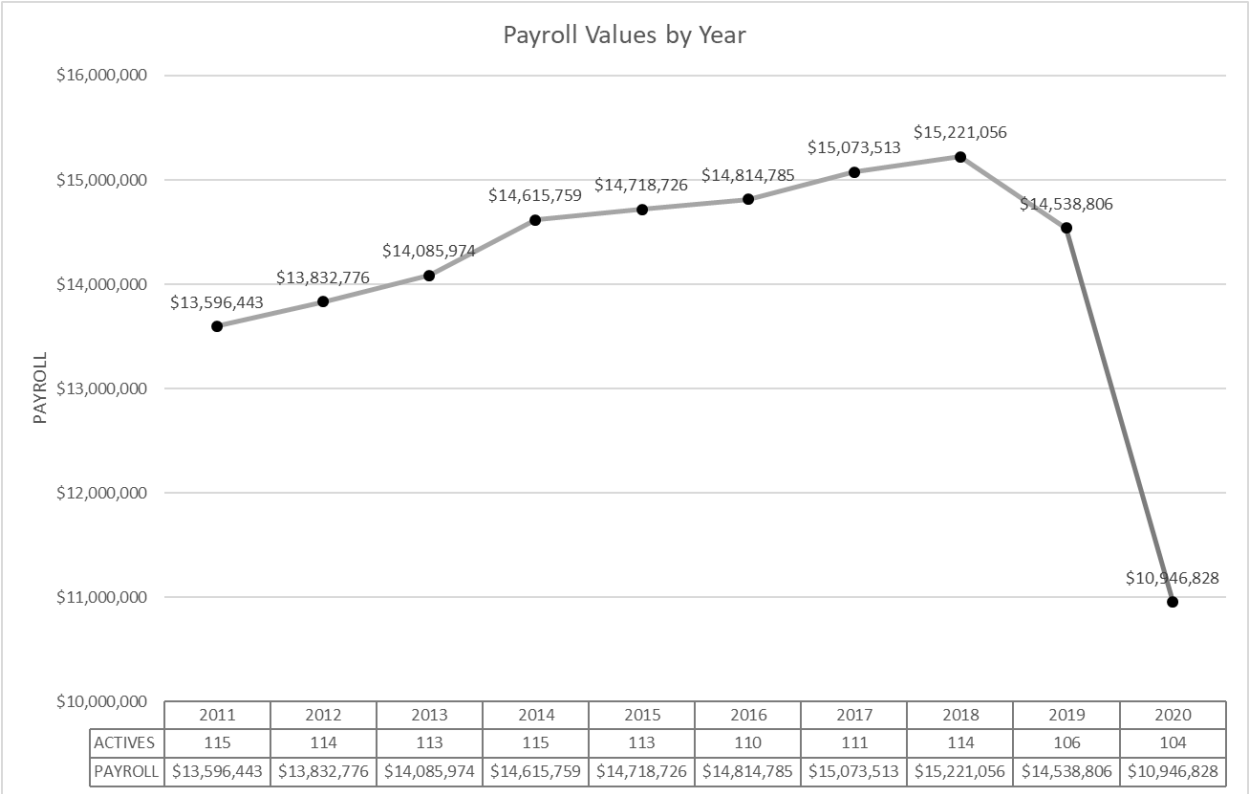
Our perspective:

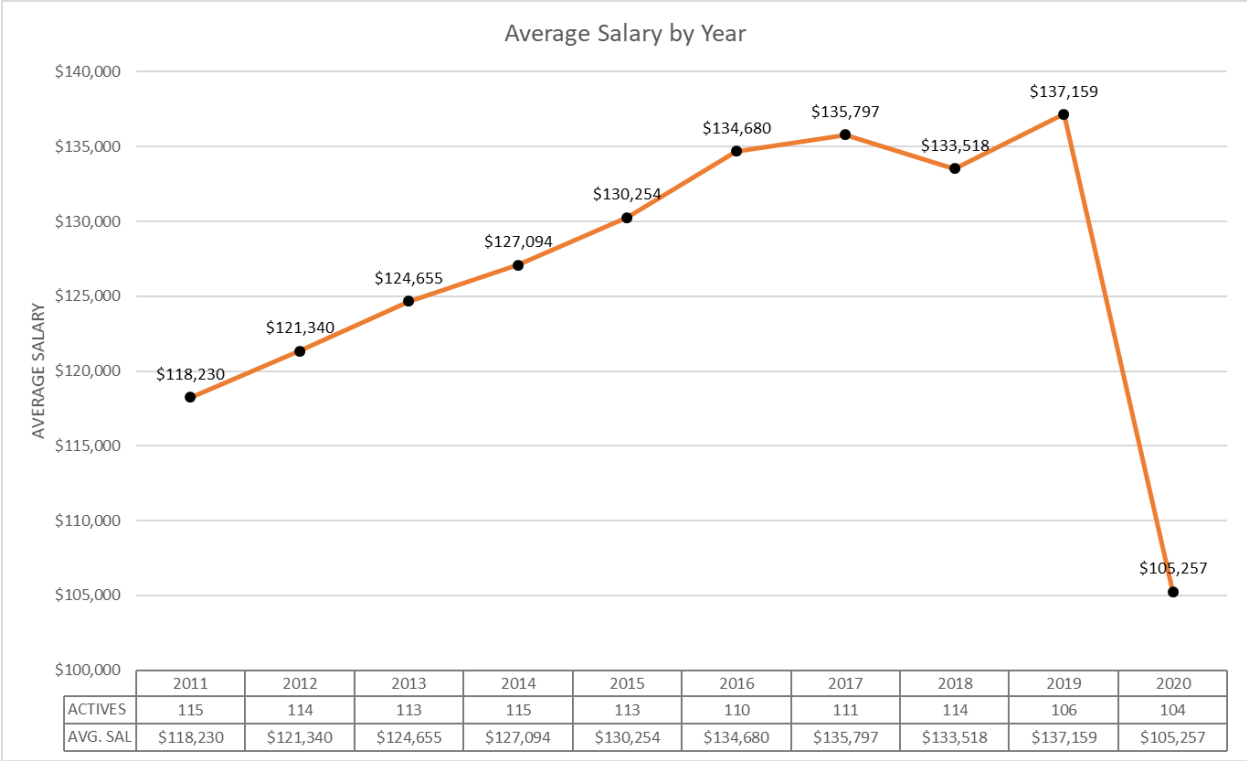
Our IEASO members, as you have acknowledged, have worked tirelessly over the last several years to provide the services and support our members deserve in a very trying environment. We have done so with fewer colleagues and with little to no increases to our salaries for many of us. We are so proud of the IEA and its advocacy for its members. We love our members and have wanted to do our part to both support them and ensure the continued viability of the organization. That doesn’t come without a price to our own mental and emotional well-being.

We believe the following tables and charts demonstrate how IEASO has made a contribution to controlling the budgetary and PSRP costs to IEA over the last decade. The two charts show the number of IEA professional staff employed each year, the total payroll and the average salary for those employees. You can see that while our workload has increased, our number of professional staff has decreased dramatically. That decrease in employees creates a corresponding decrease in total payroll which helped IEA with its budgetary constraints and helped control present and future costs of the PSRP.

YEAR	# of ACTIVE PART.	PAYROLL
2011	115	\$13,596,443
2012	114	\$13,832,776
2013	113	\$14,085,974
2014	115	\$14,615,759
2015	113	\$14,718,726
2016	110	\$14,814,785

2017	111	\$15,073,513
2018	114	\$15,221,056
2019	106	\$14,538,806
2020	104	\$10,946,828





This table shows the growth in the highest professional salary step since the 2010-2011 contract year. We would like to note that in the 2018-2019 contract year we jointly agreed to add two steps to our salary schedule in an effort to control budget increases in both salaries and PSRP costs. The 1% average wage increase in the top salary (where the majority of professional staff are placed) also provided relief to the budget and PSRP both during the life of the contract and into the future.

YEAR	% INCREASE (1% average)
2010-2011	
2011-2012	3%
2012-2013	0%
2013-2014	1%
2014-2015	1%
2015-2016	2%
2016-2017	2%

2017-2018	2%
2018-2019	0%
2019-2020	1%
2020-2021	0%

Our Associate Staff also contributed to controlling budgetary costs for the IEA by agreeing to very modest wage increases over the last ten years. We are all cognizant that our major funding source is the dues our members pay and have made an effort to reduce the need for large dues increases.

YEAR Salary Grade 1	% INCREASE (2% average)
2010-2011	
2011-2012	2%
2012-2013	0%
2013-2014	2%
2014-2015	1%
2015-2016	2%
2016-2017	2%
2017-2018	2%
2018-2019	2%
2019-2020	2%
2020-2021	0%

YEAR Salary Grade 2	% INCREASE (2% average)
2010-2011	
2011-2012	2%
2012-2013	0%
2013-2014	2%

2014-2015	1%
2015-2016	2%
2016-2017	2%
2017-2018	2%
2018-2019	2%
2019-2020	2%
2020-2021	0%

YEAR	% INCREASE (2% average)
Salary Grade 3	
2010-2011	
2011-2012	
2012-2013	
2013-2014	1%
2014-2015	2%
2015-2016	2%
2016-2017	2%
2017-2018	2%
2018-2019	1%
2019-2020	2%
2020-2021	0%

IEASO members have sacrificed wage growth in order to help IEA with both budgetary realities and the uncertainty of a post-Janus world. We know that our attempts to control IEA's budget had a positive impact as IEA's savings/assets have grown. But the negative impact on our IEASO members will continue. This sacrifice will not disappear with the ratification of one contract with above par raises. Future increases will be added to stunted wages. And, the PSRP assumes that professional staff will receive an annual salary increase of 3%. That hasn't happened in a decade and it negatively impacts our members' retirement annuities. Those retiring this year will receive monthly annuity payments that are 9% lower than they were projected to be just five years ago.

Our initial proposal reflects our belief that we are “out of the woods”. We believe that we are poised for membership growth and highly active and engaged union activity. We’ve deliberately sacrificed for the shared benefit of the IEA and IEASO for the last ten years. We’ve gladly done so during very risky times. However, from the professional staff perspective, why did we make sacrifices to protect our retirement only to jettison it for future employees when we are entering a time of recovery and growth?

We can continue to provide a coveted contractual benefit to both our current and future professional staff employees by maintaining a defined benefit retirement plan. We have seen a tremendous return on investments this year. We know that we can’t count on the same type of returns every year, but we can capitalize on this record return to mitigate future costs when returns are closer in line with the assumed rate of return (7.5%). The American Rescue Plan brought changes to pensions. The biggest PERMANENT change allows single employer pension plans to have a rolling, 15 year smoothing period, instead of a set 7 year period. This relief is similar to refinancing your mortgage from a 15 year period to a 30 year period. It lowers your monthly (yearly) payment, giving you the flexibility to pay other bills when money is tight or to pay ahead when you have extra funds in order to pay down your principal. Through the combined efforts of all six of our PSRP Trustees, the funding practices of the IEA, and the stagnated wage increases agreed to by both parties in our previous Collective Bargaining Agreements, we are poised to capitalize on a chance to see the PSRP at 100% funded and growing within a few short years.

IEA has budgeted \$10.8 million dollars for the PSRP contribution in FY22 (Plan Year 2021). Thanks to appropriate funding in previous years, a robust return on investments in FY 21 (PY 20), and the pension relief provided in the American Rescue Plan, ***our latest projections show an MRC of less than \$5 million each year from FY22 (PY 21) through FY 27 (PY 26)***. IEASO’s initial proposal would cost IEA a little over \$4 million in new money over three years. The savings realized in the difference between the budgeted amount and the actual required payment to the PSRP could provide the new money for a three-year contract in one year’s time. However, IEASO is **not** suggesting that IEA only pay the Minimum Required Contribution each year. We are saying that IEA now has the ability to lower its budgeted PSRP payment each year while still paying more than the MRC, thus providing stability to both the plan and IEA’s budgeting process, and the IEA will still have a surplus in the budget that can pay for the rest of our proposal over the three years of the contract.

Uncertainty is a reality of life. Closing the PSRP will not eliminate uncertainty, only place more of that uncertainty on IEASO members. We have no reason to accept that. We worry about the unintended consequences of shifting the defined benefit plan to a defined contribution plan for new professional staff. We’re fearful that with this change we will eventually see a higher turnover rate within our professional staff ranks. We also worry about the possible impact on our shared work of becoming an anti-racist organization. DB plans are more valuable to employees than DC plans. Aside from worrying about such a change hampering our recruitment and retention abilities, we also worry about the perception as we attempt to hire more BIPOC employees. We could find ourselves in a situation where primarily white staff members enjoy a DB plan while our more diverse hires do the same job, yet have an entirely different retirement plan.

Additionally, we did not know how the loss of Fair Share would impact our numbers. We acknowledge that our numbers are lower than they have been, but we attribute the bulk of the decrease to a nationwide teacher and staff shortage. That, coupled with a global pandemic, can only be viewed as the

worst-case scenario. Yet our numbers have remained above the budgeted amount each year after the loss of Fair Share. This demonstrates the value our members place in the IEA and reassures us that we have the ability to grow our organization even more in the future, to grow back stronger.

While IEASO agrees that large dues increases of the sort passed this year are undesirable, according to the presentation given to the IEA RA, the size of this dues increase was driven "not by a spending problem, but a revenue problem". The IEA is in a healthy financial position, and it's time to provide pay and benefits that recognize the work done to ensure this is the case. Staff has shared in the caution through multiple threats to our organization. Not only has the IEA not realized a financial risk, but we have added to our strong financial position.

We now have the opportunity to move past many of the factors that were beyond our control and embrace a bright future. But there are still internal issues that must be addressed. It's time to agree to a contract that takes into consideration the current risks to our organization -- staff burnout and poor culture. We have proposed language and a financial package that are well within the goals and capacity of our organization. We've walked that rocky path together. We want to extend a hand to you and walk a path together that enhances the lives of both IEASO members and IEA members. We know that we can come up with a contract that meets all of our needs.