



Volume 5: Friday, June 1, 2018

*"The safety of our students, and the support of the dedicated employees who daily serve to provide them with a superior education, are top priorities for our district. To that end, we are firmly committed to addressing your concerns and ensuring proper compensation, benefits, working conditions, and growth opportunities for our Transportation teammates."* – Dr. R. Stephen Green, Superintendent

## **SUPERINTENDENT'S TRANSPORTATION SUB-COMMITTEE MEETING SUMMARY**

Over 55 concerns have been shared with Superintendent Green and Chief Williams regarding the Transportation Department. Each concern has been documented, and the Superintendent, sub-committee, and district staff members are working collaboratively to address each one. To date, fourteen (14) concerns have been addressed, twenty-six (26) are currently in process to be addressed, and seventeen (17) remain to be discussed in greater detail. The following concerns and status updates were discussed during our May 30<sup>th</sup> meeting. Some concerns will require time to research; however, all concerns will be addressed in future meetings and newsletters.

### **FINANCE AND HUMAN CAPITAL MANAGEMENT:**

**Concern:** Salary increases, raises, and cost of living adjustments.

**Status:** As reported in Volume 4, the Superintendent and Board of Education (Board) are continuing budget-enhancement discussions for next school year (FY 2019). From May 14<sup>th</sup> through June 26<sup>th</sup>, findings from the Compensation and Classification Study, salary increases, incentive bonuses, cost of living adjustments, and other financial requests will be discussed and considered. A final FY 2019 budget will be approved by June 30<sup>th</sup>.

**Concern:** Please clarify what happened with the \$10M former Superintendent stated could be used for bus driver retirement.

**Status:** The District's Chief Financial Officer, Dr. Micheal Bell, reviewed the following overview of the two (2) supplemental 403(b) retirement investment options available for our employees under PSERS (Public School Employees Retirement System) as presented in our previous newsletter dated May 11, 2018:

#### **1. Tax Sheltered Annuity (TSA) 403(b) - Board Contribution: (THIS IS NOT REFLECTED ON THE PAY STUB)**

- In the late 1970s, the Board voted to end the District's social security contribution for all employees. Shortly after that, the Board approved a 6% (pre-tax) TSA 403(b) contribution to be funded by the District for all employees through Fidelity Investments.
- In 2003, the Board increased its TSA 403(b) contribution to 7.5%. In 2009, the Board increased its TSA 403(b) contribution to 8%, which is currently held today.
- In July 2009, due to the economic downturn and financial crisis, the Board terminated all TSA contributions **except for PSERS participants (i.e., school bus drivers, monitors, custodians, and non-management school nutrition workers).** These employees continue to receive an 8% (pre-tax) Board contribution into their TSA 403(b) every pay period while employed with the District.

#### **2. Individual 403(b) - Employee Contribution: (THIS IS REFLECTED ON THE PAY STUB)**

- All employees, including school bus drivers and monitors, can enroll in an individual 403(b) through any of the following four (4) retirement investment firms: Fidelity Investments, The Variable Annuity Life Insurance Company (VALIC), VOYA Financial, or MassMutual (the Hartford).
- The District's current 2% 403(b) Employee Contribution Match Program for individual employee contributions does not apply to employees under the PSERS system.

Dr. Bell also informed the sub-committee that, on June 9, 2015, our former Superintendent recommended an "assignment" of \$10 million in the proposed budget for Fiscal Year 2015-2016 to reestablish a DeKalb County School District supported retirement option for all employees. Between June 2015 and December 2015, the former Superintendent worked with our Finance and Human Resources Divisions, in addition to outside Benefits Counsel, to develop the District's current 403(b) 2% Employee Contribution Match Program. This program was approved by the Board on December 7, 2015, and remains in effect today. (Please select the following link for details and supporting documents associated with this agenda item: [Approval of 403\(b\) 2% Employee Contribution Match.](#))

Under this program, a participating employee must have enrolled and committed at least a 2% salary contribution for a year. Additionally, such employee must have a least five (5) years of qualifying service with the District. The District's match of the employees' 2% contribution will "vest" to such employees 24 months after the employees' first day of participation in the matching contribution program. Page 5 of the Board-approved 403(b) Plan also states that:

“Employees who are eligible to make Elective Deferrals include any individual who is employed by the School District as a common law employee, including a participant in the State of Georgia Employees Retirement System (ERS) or the Teachers Retirement System of Georgia (TRS), and is normally scheduled to work at least 20 hours per week. **The Plan excludes (1) participants in the Public School Employees Retirement System of Georgia (PSERS); (2) employees who receive Employer contributions under the School District’s Fidelity Tax-Sheltered Annuity Plan;** (3) employees who refuse to elect to contribute at least \$200 per year; (4) employees who are students enrolled in and regularly attending classes at any DeKalb County school; (5) members of the DeKalb County Board of Education; (6) independent contractors; (7) nonresident aliens with no U.S. source 6 income; (8) leased employees as defined under IRC § 414(n); and (9) individuals designated as independent contractors (even if a court or administrative agency determines that such individuals are common-law employees.)”

**Next Action:** The Superintendent has directed Dr. Bell to work with General Counsel to determine if the District's 403(b) Plan can be amended to allow our employees under PSERS (i.e., school bus drivers, monitors, custodians, and non-management school nutrition workers) to participate in the 2% Employee Contribution Match Program now that the District’s TSA lawsuit has been resolved. If so, a recommendation will be presented to the Board for their consideration.

**Concern: Better retirement plan.**

**Status:** The District’s Chief Human Capital Management Officer, Dr. Bernice Gregory, provided the following details regarding specific dates, times, and locations for the Fidelity Investment workshops and one-on-one sessions for the month of June:

Date	Time	Location	Meeting Room
Friday, June 01, 2018	1:00 PM and 3:00 PM	1701 Mountain Industrial Blvd, Stone Mountain Ga 30083 (AIC Location)	Decatur Room
Friday, June 08, 2018	9:00 AM, 1:00 PM, and 3:00 PM	1780 Montreal Road, Tucker, GA 30084 (Sam Moss Service Center)	Stokes Conference Room
Thursday, June 14, 2018	9:00 AM, 1:00 PM, and 3:00 PM	5809 Memorial Drive, Stone Mountain GA 30083 (East Campus Transportation Center)	Conference Room
Thursday, June 28, 2018	9:00 AM, 1:00 PM, and 3:00 PM	5809 Memorial Drive, Stone Mountain GA 30083 (East Campus Transportation Center)	Conference Room

**Note: All attendees must present a valid driver’s license or photo id to attend workshops and one-on-one sessions.**

Anyone who has questions regarding their retirement benefits can contact **Ms. Deborah Burns, in our Finance Department, at 678-676-0155, or Fidelity at 1-800-343-0860 for assistance.** (Additional sessions are being scheduled for the months of September 2018, January 2019, and March 2019.)

**Concern: Fair pay for sick leave days.**

**Status:** The District’s Chief Human Capital Management Officer, Dr. Bernice Gregory, presented the following comparative analysis of what other comparable school districts are offering its PSERS employees:

School District	Sick Leave Retirement Program for PSERS Employees
Atlanta Public Schools	Employee is paid a rate of \$45.00 per day
Clayton County School District	Employee must have at least 60 unused sick days to be paid a rate of \$46.50 per day
Cobb County School District	Does not pay Sick Leave for PSERS employees - "Use it or Lose it"
DeKalb County School District	Per Board policy GBRI, employee is paid a daily rate starting at \$3.00 per day up to \$9.00 per day depending upon the number of sick days at retirement
Fulton County School District	Employee is paid a rate based on their salary, for half the number of sick days at retirement, up to a max of 40 days
Gwinnett County School District	Pay \$4.87 per hour, up to 1,000 hours

Dr. Gregory also presented the following Total Compensation Package Analysis for an entry level bus driver for the committee’s awareness:

Base Salary	\$18,362.64
Health Insurance	\$11,340.00
Tax Sheltered Annuity 403(b) (contributed 100% by the District)	\$1,469.01
Medicare	\$266.26
Basic Life Insurance	\$107.89
Survivor Income Benefit	\$0.24
<b>Total Compensation Package</b>	<b>\$31,546.04</b>

**Next Action:** The Superintendent has directed Dr. Gregory to work with our Office of Legal Affairs to develop a possible modification to Board Policy GBRI for the Board’s consideration by October 2018.