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Human Resources, Evaluation and Technology

SUBJECT: EARLY RETIREMENT INCENTIVE/SABBATICAL LEAVE

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

Pursuant to Board direction, staff has been meeting with specific employee unions/associations to create a strategic Early Retirement Incentive/Sabbatical Leave Program in order to create District savings. As part of the due diligence to create such programs, two surveys were created to obtain feedback from specific employee groups whose eligibility was identified to maximize District savings.

Pursuant to Board direction, two surveys were created and sent to specific employee groups to gauge their interest in either an Early Retirement Incentive Program (Retirement Incentive) or Sabbatical Leave Program (Sabbatical Leave). The eligibility and benefits of each of the two programs has been created in conjunction with employee unions and associations. An overview of the programs for which the surveys were sent are as follows:

Retirement Incentive – Eligibility

- Instructional personnel on steps 20,21,22 of the AO/CO salary schedule
- Paraprofessionals/School Support on step 15 of the U1 salary schedule
- Office employees on Step 14 of the UO salary schedule
- Confidential Exempt personnel on Steps 13-14 of the XO salary schedule
- MEP employees with 25 years of MDCPS service; or in years 3-5 in DROP or retirement eligible

Retirement Incentive – Benefits

- Employees who elect to retire/separate from service (DROP) on or before January 15, 2009 would receive Board-paid health insurance consisting of the lowest cost Board paid program, not including flex benefits or dependent subsidies, not to exceed 36 months. Benefits would cease at when an employee on the Retirement Incentive becomes Medicare eligible.

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Sabbatical Leave – Eligibility

- Instructional employees on steps 17-22 of the AO/CO salary schedule
- Confidential Exempt personnel on steps 13-14 of the XO salary schedule
- MEP employees with 25 years of MDCPS service; or in years 3-5 in DROP or retirement eligible

Sabbatical Leave – Benefits

Employees would be placed on Sabbatical Leave status effective January 15, 2009 through June 30, 2009, with an option to extend the leave through June 30, 2010. While on leave, employees would receive Board-paid benefits and a nominal monthly stipend (\$100/month) to provide Florida Retirement System (FRS) credit while on leave. Employees choosing to return from Sabbatical Leave would be guaranteed a position of like status in the system at salary levels in force at the time of return from leave. Employees who reach their end of DROP would separate from service from their leave status.

Approximately 10,000 survey responses were received. Highlights of the survey results are as follows:

- ▶ 28.75% of employees surveyed plan to retire in the next three years
- ▶ 16.3% of employees surveyed indicated their interest in a Retirement Incentive Program which included 3 years of Board paid health insurance, subject to the lowest Board-cost program
- ▶ 17% of employees surveyed indicated their interest in being placed on Sabbatical Leave for six months
- ▶ 15.5% of employees surveyed indicated their interest in being placed on Sabbatical leave for 18 months

A financial analysis of both programs has been completed. Because the eligibility of both programs (Retirement Incentive and Sabbatical Leave) has been strategically focused on employees at the highest steps of applicable salary schedules, savings are created when these employees are replaced with employees on lower salary steps. When factoring in the cost of benefits, including Board-paid health insurance, subject to the lowest cost Board program, and the Sabbatical Leave monthly stipends, moderate savings are realized with the added benefit of opening up positions within the District.

Taking into consideration the survey responses and the benefits to the District of both program consisting of moderate monetary savings and creating position openings, staff is recommending that both the proposed Retirement Incentive and Sabbatical Leave programs be implemented, effective January 15, 2009. Eligible employees will have the opportunity to sign up for these programs beginning in December, 2008.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida authorize the creation of a Retirement Incentive Program and a Sabbatical Leave Program as follows:

1. Retirement Incentive – Eligibility

- Instructional personnel on steps 20,21,22 of the AO/CO salary schedule
- Paraprofessionals/School Support on step 15 of the U1 salary schedule
- Office employees on Step 14 of the UO salary schedule
- Confidential Exempt personnel on Steps 13-14 of the XO salary schedule
- MEP employees with 25 years of MDCPS service; or in years 3-5 in DROP or retirement eligible

Retirement Incentive – Benefits

- Employees who elect to retire/separate from service (DROP) on or before January 15, 2009 would receive Board-paid health insurance consisting of the lowest cost Board paid program, not including flex benefits or dependent subsidies, not to exceed 36 months. Benefits would cease at when an employee on the Retirement Incentive becomes Medicare eligible; and

2. Sabbatical Leave – Eligibility

- Instructional employees on steps 17-22 of the AO/CO salary schedule
- Confidential Exempt personnel on steps 13-14 of the XO salary schedule
- MEP employees with 25 years of MDCPS service; or in years 3-5 in DROP or retirement eligible

Sabbatical Leave – Benefits

Employees would be placed on Sabbatical Leave status effective January 15, 2009 through June 30, 2009, with an option to extend the leave through June 30, 2010. While on leave, employees would receive Board-paid benefits and a nominal monthly stipend (\$100/month) to provide Florida Retirement System (FRS) credit while on leave. Employees choosing to return from Sabbatical Leave would be guaranteed a position of like status in the system at salary levels in force at the time of return from leave. Employees who reach their end of DROP would separate from service from their leave status.

SBC:mgr