



Saint Paul
PUBLIC SCHOOLS

Independent School District 625
360 Colborne Street
Saint Paul, MN 55102-3299

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August 8, 2019

Nick Faber, President
Saint Paul Federation of Educators
23 Empire Drive
Saint Paul, MN 55103-1856

Josh Loahr, Business Agent
Teamsters Local 320
3001 University Avenue, #500
Minneapolis, MN 55414

Dear Mr. Faber and Mr. Loahr:

This is in follow up to our recent conversations and meetings regarding the decisions of your respective unions to withdraw from the School District-sponsored insurance program and enter into the Public Employees Insurance Program ("PEIP"). You both know the very real and very significant financial harm that decision will cause to the School District, its other employees, and its students. Several weeks ago, we sent you a letter asking you and the unions you represent to work with us to mitigate this harm. Specifically, we asked SPFE to delay implementation of the transfer to PEIP for one year – until January 2021. We make the same ask of the Teamsters. This brief delay, which is entirely permissible under the statute, will enable the School District to avoid significant financial consequences, allow the School District to solicit proposals next summer for a new insurance plan for its remaining employees, and ensure that School District resources remain with our students. We have yet to receive your response.

Since our initial letter to you, we have received some additional, pertinent information. The School District received an email, which we have since shared with both of you, from the President & CEO HealthPartners stating, in part, "[i]f the District terminates the two year agreement early and transitions to PEIP for 2020, [the District] would trigger the Early Termination Fee under the contract. HealthPartners would expect the District to fulfill its contractual commitment and pay the Early Termination Fee pursuant to the contract." HealthPartners repeated that expectation, clearly and succinctly, in the meeting you and the School District held with its representatives on August 1.

Additionally, in communications with Minnesota Management and Budget, the School District has been told that nothing statutorily compels SPFE or, presumably, the Teamsters, to enter PEIP in January 2020 and that the union is welcome to move into PEIP with a start date of January 2021. This is consistent with our reading of the statute which, while setting a timeline by which unions must give notice of their intent to participate in PEIP, does not establish a timeline for actual entrance into PEIP once that notice of intent to participate is given. Nothing in statute mandates the unions' entry into PEIP on the schedule you are demanding. What is mandated is that the unions and School District give notice to the commissioner of the determination to participate in PEIP at least 30 days before entry into the program. Thus, a January 2021 entrance into PEIP is entirely consistent with and permitted by the statute.

Soon, the School District will need to make some decisions about its health insurance for next year. Therefore, we need to know SPFE's and Teamsters' intentions and whether they will honor the School District's request. We ask for a response by August 14.

We appreciate your on-going consideration of this matter and continue to hope that SPFE and Teamsters will collaborate with us for a solution in the best interests of all employees working for and all students enrolled in Saint Paul Public Schools.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Gothard".

Joe Gothard
Superintendent

A handwritten signature in black ink, appearing to read "Zuki Ellis".

Zuki Ellis
Chair, Board of Education