



Apply Savings to Education, Not Union Pay

By Jordan Cash

The Educators Health Alliance (EHA), a group that handles health insurance for most Nebraska education employees and negotiates rates and policy details with the health insurance provider Nebraska Blue Cross/Blue Shield, recently found itself in the enviable position of announcing a holiday on premium payments for December 2011.[\[1\]](#) This good news followed on the heels of an announcement that there would be no increase in rates for the 2011-2012 year, as responsible fiscal policy and lower than anticipated utilization rates of hospital and physician services had allowed the EHA to hold the line against expected medical inflation trends.[\[2\]](#)

This should be good news not only for the school districts who will not have to pay December insurance premiums and have seen their budgets stretched to the brink, but taxpayers may also see some benefits as the excess funds can be put to other uses such as buying new textbooks or computers.

Yet, some groups disagree on how the surplus funds should be applied.

While school boards will ultimately decide where the surplus money should go, a few teachers unions have pushed for the money to be given back to the teachers in the form of a stipend. In Chase County Schools—a county located on the southwestern Nebraska border with Colorado—the matter has been discussed numerous times at school board meetings, with teachers insisting that the extra money being given back to them, even though they technically do not even pay the insurance premiums in the first place, all the costs being handled by the district. However, as Chase County School Board Member Jeff Olsen noted at one of the meetings, if the money was paid out as a stipend, it would have to go through payroll and about thirty percent of the surplus money would be deducted to pay payroll taxes.[\[3\]](#) At the same meeting other school board members insisted that the money should go back to taxpayers, and one member, Dan Reeves, expressed his frustration by asking the question of "When do we get to save some taxpayer money?"[\[4\]](#)

Some have speculated that the demand by some local teachers unions for additional pay from the saved funds are not independent actions, and have been actively directed by the Nebraska State Education Association (NSEA), the state teachers union.[\[5\]](#) EHA was originally founded specifically for the NSEA, as well as the Nebraska Association of School Boards and the Nebraska Council of School Administrators.[\[6\]](#)

It should be mentioned, however, that not all teachers unions who have demanded the surplus money have used it as a salary stipend. In Mead County, the teachers union was successful in demanding and acquiring the surplus insurance funds, and used them for the admirable purpose of purchasing new textbooks.[7]

While the impulse of the teachers unions to ask for the money may be a natural response, school districts should not succumb to it. The money saved by school districts from this premium holiday can be put to better use than to simply be spent on teachers stipends as teachers in Chase County would want to do, and although the teachers of Mead County Schools did an honorable thing by using the funds to purchase textbooks, that should not have been their decision to make. School boards are elected by the people to manage public schools and see that money from the taxpayers is used in a way that will enhance public education. Now that school districts have extra money thanks to the premium holiday, it should be used to either bolster the school districts' budget during these hard economic times of reduced state aid, put away and saved for future use, or spent on meaningful improvements like textbooks, computers, or programs that aid in a child's learning. Simply giving the money to union members is not a proper use of taxpayer funds when it could be applied much better to actively improving public education.

[1] "Educators Health Alliance Announces Premium 'Holiday.'" The announcement may be viewed at http://www.ehaplan.org/sites/default/files/EHA_Announces_Premium_Holiday_060211.pdf.

[2] "Educators Health Alliance Approves 0% Increase in Rates," in *EHA Newsletter*, April 2011, Issue 4. Accessed November 7, 2011: http://www.ehaplan.org/sites/default/files/EHA_Newsletter_Spring_2011.pdf.

[3] Jan Schultz, "Teachers want share of money from insurance premium holiday month," in *The Imperial Republican*. Accessed November 7, 2011: http://www.imperialrepublican.com/index.php?option=com_content&view=article&id=3336:teachers-want-share-of-money-from-insurance-premium-holiday-month&catid=42:school-news&Itemid=55.

[4] Dan Reeves qtd. In Jan Schultz, "Teachers want share of money from insurance premium holiday month," in *The Imperial Republican*.

[5] Victor Skinner, "Nebraska teachers unions want to steal insurance savings that would help cash-strapped schools," November 3, 2011. Education Action Group. Accessed November 7, 2011: <http://www.publicschoolspending.com/uncategorized/nebraska-teachers-unions-want-to-steal-insurance-savings-that-would-help-cash-strapped-schools/>

[6] Educators Health Alliance home page, accessed November 8, 2011: <http://www.ehaplan.org/>.

[7] Victor Skinner, "Nebraska teachers unions want to steal insurance savings that would help cash-strapped schools," November 3, 2011.



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