

FRAMINGHAM CDL RATE INCREASE ANALYSIS

At the request of the Framingham School Committee during our meeting Wednesday, January 18, 2023, and per our conversation on Thursday, January 26th with FPS Director of Finance & Operations, Lincoln Lynch, NRT has conducted a cost analysis of the financial impact to the school district should CDL driver wages be increased from:

- \$29.00 per hour to \$32.00 per hour
- \$29.00 per hour to \$34.00 per hour

This report contains information pertaining to: **(1) CDL Driver Wages in neighboring Teamster Operated Districts (TODS); (2) Top 4 CDL Driver Wages & differentiators in neighboring, NON-TODS; (3) Cost Analysis of potential \$3.00 per hour wage increase; (4) Potential Impact of neighboring NRT serviced district anticipated CDL wage increase; (5) NRT’s assessment of total wage increases as it pertains to 30B law.**

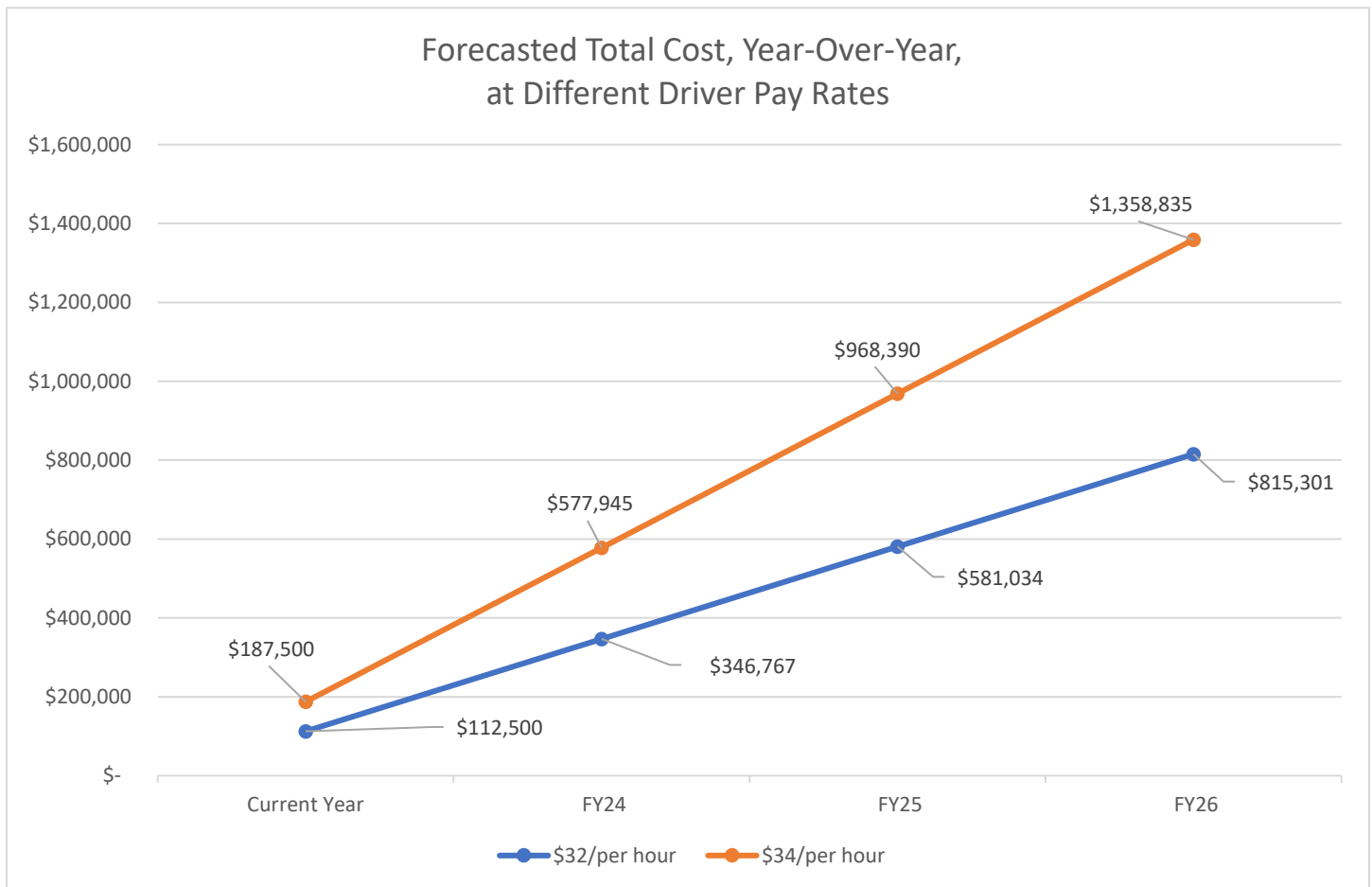
1. CDL Driver Wages & Benefits in Neighboring Teamster Operated Districts (TODs)

District	Hourly Wage	Health Insurance	Overtime Hours?	S/L, Holiday, PTO?	Union?
TOD 1	\$31.93	Current Plan: 25% EE 75% ER or 50%/50%	No	MA Earned sick time + 2 paid holidays	Yes
TOD 2	\$31.11	Union Plan: 0-5 yrs 60% 5+ 75%	Yes, 1.5 over 40	MA Earned sick time + 6 paid holidays	Yes
TOD 3	\$30.40	Union Plan 2022 - 55% 2023 - 60% 2024 - 70%	Yes, 1.5 over 40	MA Earned sick time + 8 paid holidays + 4 days PTO	Yes
TOD 4	\$30.00	Yes	Yes, 1.5 over 40	MA Earned sick time + 9 paid holidays + 5 days PTO	Yes

2. CDL Driver Wages & Benefits in Neighboring Non-Teamster Operated Districts (NON-TODs)

District	Hourly Wage	Health Insurance	Overtime Hours?	S/L, Holiday, PTO?	Union?
NON-TOD 1	\$31.93	Current Plan: 25% EE 75% ER or 50%/50%	No	MA Earned sick time + 2 paid holidays	No Union
NON-TOD 2	\$31.93	Current Plan: 25% EE 75% ER or 50%/50%	No	MA Earned sick time + 2 paid holidays	No Union
NON-TOD 3	\$27.50	Current Plan: 25% EE 75% ER or 50%/50%	No	MA Earned sick time + 2 paid holidays	No Union
NON-TOD 4	\$27.50	Current Plan: 25% EE 75% ER or 50%/50%	No	MA Earned sick time + 2 paid holidays	No Union

3. Cost Analysis of potential \$3.00 per hour & \$5 per hour wage increase



	Balance CY	YR 3	YR 4	YR 5	Total
<u>\$32/per hour</u>	\$ 112,500	\$ 234,267	\$ 234,267	\$ 234,267	\$ 815,301
<u>\$34/per hour</u>	\$ 187,500	\$ 390,445	\$ 390,445	\$ 390,445	\$ 1,358,835
<u># of Routes</u>	60	66	66	66	258

4. Potential impact of neighboring NRT serviced district rate increase:

Additionally, as mentioned in our conversation on 1/26/23, NRT anticipates that a neighboring district we serve will adjust its CDL driver rates from \$29.00 to \$34.00 per hour in February to incentivize more drivers to come work in their district.

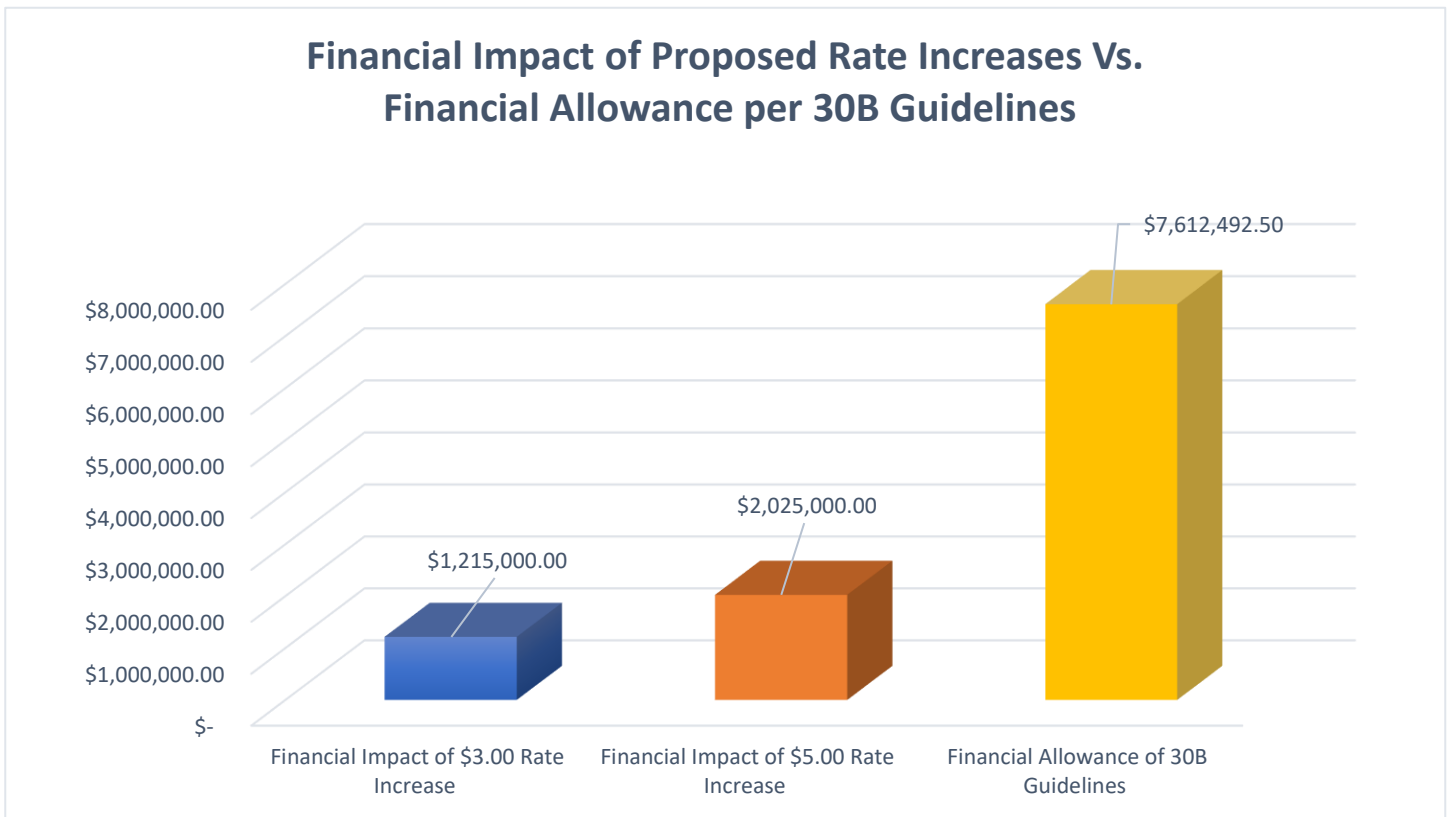
NRT will not allow any drivers assigned to other districts to move over to said district for the FY 23 school year. That said, based on the current bidding practices of our CDL drivers, districts moving to \$34 per hour may have implications for the FY 24 school year.

5. 30B Guidelines:

In assessing a \$3.00 per hour rate increase relative to 30B guidelines, our analysis indicates that the impact to the total contract would fall well below the 25% threshold that would trigger having to put the contract out to bid.

Please note:

- Total value of the contract over 5 years = \$30,499,970
- According to 30B guidelines the contract cannot change more than 25% or a monetary value = \$7,624,992.50
- If:
 - The CDL Driver Wages increase (\$3.00 per hour) x (6 hours per day) x (75 drivers) x (entire 5 years /900 days) = \$1,215,000.
 - The CDL Driver Wages increase (\$5.00 per hour) x (6 hours per day) x (75 drivers) x (entire 5 years /900 days) = \$2,025,000.
 - This is well below the \$7.6M threshold.



After reviewing this document with your Framingham constituents please let us know if you need any further information or clarification of the data and analysis in this report.