

COMMONWEALTH OF Pennsylvania  
Pennsylvania Labor Relations Board

**In the Matter of the Employees of  
Old Forge School District**

**Case No. ACT 88-10-51-E**

REPORT AND RECOMMENDATIONS

Diana S. Mulligan, Fact Finder

Hearing: August 19, 2011

John J. Holland, Esq., for the Association  
John G. Audi, Esq., for the School District

## **BACKGROUND**

Pursuant to ACT 88 of 1992 and the Pennsylvania Employee Labor Relations Act, Act 195 of 1970, notice was received by the Pennsylvania Labor Relations Board (PLRB) from the Bureau of Mediation that no agreement had been reached between the Old Forge School District (SD or Employer) and by the Old Forge Education Association (Association). By letter dated July 19, 2011, the PLRB appointed the undersigned to act as Fact Finder with the authority set forth above. Subsequent to such notice, the parties were duly notified and a hearing was held on August 19, 2011 in Wilkes-Barre, Pennsylvania at which time all parties in interest were afforded a full opportunity to present testimony and introduce documentary evidence. The Fact Finder and Advocates further discussed the issues via e-mail and telephone.

Prior to the hearing, the parties reached tentative agreements (TA) on the following issues:

1. Article XXVIII. Life Insurance
2. Dress Code (This was not submitted as an issue for Fact Finding.)

Prior to the hearing, the following issues were withdrawn by the Association:

1. Article VII. Section E. – Association Days
2. Article VIII. School Work Year
3. Article XVII. Association Meetings in School
4. Article XXIII. Sick Days
5. Article XXVIII. Section G
6. Article XXX. Terminal Leave Payment – Increase
7. Article XXXII. Salaries – Appendix “G” – Increase in Columns
8. Article XXXIV. Tuition Reimbursement – Increase in Credits
9. Article XXXVII. General Conditions, Sections C, D, F & H
10. Article XXXVIII. Workers’ Compensation

The following remain as the issues in dispute for consideration by the Fact Finder:

### **MUTUAL ISSUES**

1. Article II - Term of Agreement
2. Article VII - Leaves of Absence. Section B
3. Article XXVIII – Insurance Coverage. Section E
4. Article XXIX – Credits Beyond the Masters
5. Article XXXII – Salaries/Appendix “A”
6. Article XLV – Early Retirement Incentive
7. Article XLVIII – Duration of Agreement

### **SCHOOL DISTRICT ONLY ISSUES**

1. Article V – Posting of Vacancies
2. Article VII – Leaves of Absence. Section C & F
3. Article XI – Length of School Day. Sections A, B, C & E
4. Article XXVIII – Insurance Coverage. Sections B & F
5. Article XXX – Terminal Leave Payment
6. Article XXXIV. Tuition Reimbursement
7. Article XXXVII – General Conditions. Sections B & F

### **ASSOCIATION ONLY ISSUES**

1. Article VII – Leaves of Absence. Section A
2. Article XXVII – Heads of Departments
3. Article XXXVII – General Conditions. Sections E & G
4. Article XXXIX – Preparation Time

This Report Contains Recommendations for the unresolved issues which constitute the settlement proposal upon which the parties are now required to act, as directed by statute and PLRB regulations. Without any comment, the issues already agreed upon by the parties and the undisputed portions of the Collective Bargaining Agreement (CBA or Agreement) shall be incorporated without change as part of this Report.

Pursuant to statutory authority, this Report will be released to the public if not accepted. A vote to accept the Report does not necessarily constitute agreement with or endorsement of the rationales but, rather, represents only an agreement to resolve the disputed issues by adopting the Recommendations.

The parties are hereby directed to review the Report and, within ten (10) calendar days of its issuance, notify the PLRB and each other if they accept or reject the Recommendations.

### **Issue #1: Article II - Term of Agreement and Article XLVIII – Duration of Agreement**

#### Position of the Parties

The Association proposes that the CBA, by its terms, begin on September 1, 2010 and end on August 31, 2016; the SD proposes that the ending date be August 31, 2014.

#### Discussion

Articles II and XLVIII have additional language addressing other issues. Since the only item in dispute is the length of the CBA, these articles have been combined into one issue.

A longer CBA guarantees that the parties can get on with their work instead of focusing on the next round of negotiations shortly after the prior Agreement has expired. On the other hand, with a longer contract, the parties are locked into economic terms which may harm or benefit them in the long run, depending on the economy. With the state of the current economy, the shorter of the 2 proposed terms seems to be the wiser choice.

#### Recommendation

The CBA, by its terms, should commence on September 1, 2010 and end on August 31, 2014.

### **Issue #2: Article V - Posting of Vacancies**

#### Position of the Parties

The SD wants to delete the following sentence from this article: “The Board agrees to fill all vacancies hereinafter, including vacancies in evening school, summer school, home teaching, federal projects and other programs.”

#### Discussion

The way this sentence now reads, it appears that the SD is obliged to fill current vacancies for these positions even if there is no need for the position to be filled. This is, simply, a waste of scarce resources.

#### Recommendation

Delete this sentence.

### **Issue #3: Article VII – Leaves of Absence, Sections A, B, C & F**

#### Position of the Parties

**Section A. – Personal Days.** The Association wants to add one additional personal day with a corresponding increase of 2 additional days of accumulation.

### Discussion

Bargaining unit members currently enjoy 2 personal days per year and can accumulate up to 5 days from year to year. If these accumulated days are not used, they are converted to sick days. In any event, the days are not lost to the employee. The current number of days is comparable to other school districts presented in evidence by the Association. (6 out of the Association's comparison group of 17 districts for which information could be obtained have 3; 8 have 2. Accumulation varies from 4 to 7 days with 4 to 5 being the norm.)

### Recommendation

Keep section A as is.

### Position of the Parties

**Section B. – Leave of Absence.** The SD wants to add language which would have LOAs run concurrently with sick leave (SL). If the SL is for less than one year, the employee will have exhausted his/her full year of eligible leave. The Association wants to add language which will allow an ailing teacher who has exhausted SL to get one semester of paid leave.

### Discussion – Association Proposal

I must agree with the SD that the legally mandated 10 day SL, personal days and disability retirement already cover most teachers. To pay someone 6 months' salary for not working (although a major illness/accident which would necessitate such a leave is not the employee's fault) is prohibitively expensive.

### Recommendation

Do not include this Association proposal for Section B in the Agreement.

### Discussion – SD Proposal

The current CBA allows a sick/disabled teacher who has exhausted all sick leave to take a LOA without pay for one year renewable for an additional year with the consent of the School Board. According to Webster's Dictionary, "exhausted" means "used up"; "concurrent" means "happening at the same time." The SD wants to keep the current language which states that the unpaid leave begins when the SL is exhausted and then add language which has these leaves run concurrently. If the paid SL runs concurrently with the unpaid leave, the unpaid one year leave essentially no longer exists. Taken to its logical conclusion, if a teacher is, say, in an accident and uses his/her accumulated 30 days of SL, then returns to work, that teacher, according to the SD's proposal, has now used all of the eligible leave – both sick and unpaid. This employee returns to work on day 31, but has a relapse on day 32. Unless the School Board agrees to grant an additional year of unpaid leave, the teacher has no leave left and is out of a job.

### Recommendation

Keep Section B as is.

### Position of the Parties

**Section C. – Childrearing Leave.** The SD proposes the same language for this Section as for Section B.

### Discussion

In Section B the duration of the SL, at its inception, is unknown. Section C specifically states that the unpaid childrearing leave is for one year. The parties may have a past practice allowing for shorter leaves but have not so stated. The rationales for this Section are the same as for Section B.

### Recommendation

Keep section C as is.

### Position of the Parties

**Section F.** The SD wants to add the following language to this Article: “While on any leave of absence, paid or unpaid, all extracurricular positions held will be relinquished during the leave and the position(s) will be posted and filled. Should the leave become a permanent vacancy, the extracurricular position held will be posted.”

### Discussion

Since the teacher is on leave from regular teaching duties, (s)he should not be available to participate in the extracurricular activity either. If the SD still offers the activity, it needs someone else to do the work.

### Recommendation

Add Section F to Article VII.

## **Issue #4: Article XI – Length of School Day, Sections A, B, C & E**

### Position of the Parties

**Section A.** The SD wants to delete language which states that the school days will begin no earlier than 8:25 A.M. and end no later than 3:30 P.M.

### Discussion

Depending on the bus schedules, the number of buses available and potential traffic jams if all children arrive at the school complex at the same time, it may be more convenient to have a staggered starting/ending time for the school day. Since it is unlikely that the SD will decide to begin as early as 6:00 A.M. and/or end as late as 6:00 P.M. (thus incurring the wrath of parents), I see little problem with allowing the SD to adjust starting/ending times for the school days.

### Recommendation

Delete this language from section A.

### Position of the Parties

## **Sections B. & C.**

The SD wants to replace the current language which states definite times for the beginning and ending of lunch periods in the secondary and elementary schools to, “...during a regularly scheduled lunch period....”

### Discussion

The current language states that teachers will have lunch between 11:00 A.M. and 1:00 P.M. in the secondary school and 10:45 A.M. and 1:00 P.M. in the elementary school. I see no reason why the teachers cannot have lunch at the same time as the students.

### Recommendation

Adopt the SD’s proposal.

## **Section E. – Evening Parent Teacher Conferences**

### Position of the Parties

The SD wants to add “and Open House” to the title of this section which increases the number of conferences from the current 2 per year to 3. The SD also wants to remove the sentence beginning, “Effective with the fall of 2007....period.”

## Discussion

Since 2007 has come and gone, the removal of dates from this section is a “housekeeping” matter. This section also mentions that conferences will continue to be scheduled in the evening as long as 30% of the parents participated in the previous semester’s conferences. Since the ability/desire of parents to attend day or evening conferences may change semester by semester, it seems more efficient not to be bound by a strict percentage when scheduling these conferences. Some parents, both of whom work during the day, might not get to discuss their child’s progress or will have to take a day off from work if conferences would be scheduled only during the day because 28% of parents chose to attend an evening conference the previous semester. Open House is the traditional time when the teachers show off their classrooms and their students’ skills to the parents. Since the teachers get compensatory time (by being excused from their normal school day duties), adding Open House to this list is not unreasonable. Unfortunately, it was stated at the hearing that fewer than 10% of parents sometimes show up for these evening conferences. Nevertheless, this traditional meeting time should be provided for those who care enough to come.

## Recommendation

Adopt the SD’s proposal for section E.

### **Issue #5: Article XXVII – Heads of Departments**

#### Position of the Parties

The Association wants an increase of \$184.17 for these positions in 2010-11; \$100 in 2011-12 and 2012-13 and \$50 in each year of the CBA thereafter.

#### Discussion

The increases in the prior Agreement were based on a 3.5% raise in the last 4 years. The amount for 2009-10 was \$1,065.83. The Association’s proposal for 2010-11 was for a payment of \$1,250, an increase of 17.26%. Applying the 3.5% to the 2009-10 amount, the payments would be \$1,103, \$1,142, \$1,182 and \$1,223. By the fourth year of the CBA, we do not even reach the Association’s proposed increase for the first year.

#### Recommendation

Increase the reimbursement for these positions to \$1,100 in 2010-11, then by \$35 in each year of the CBA thereafter.

### **Issue #6: Article XXVIII - Insurance Coverage**

#### Position of the Parties

The SD wants to delete all references to “Blue Cross, Blue Shield and Major Medical” from this article and add “Prescription Coverage” (currently in Article XXXI).

The SD would continue to pay the premiums for the 2010-2011 school year to provide “major medical insurance coverage” but proposes that the employee pay all increases thereafter above the 2010-2011 rate. The Prescription Plan would cost the employee \$10/\$10/\$25. The Association wants to add a new Section E in which the SD would provide each professional employee disability insurance providing full salary and all medical coverage for up to 2 years. The SD wants to delete Section G which states that both parties agree to join the NEIU #19 Health Insurance Consortium.

#### Discussion

In its submission for Fact Finding, the SD did not include Vision and Dental Insurance in its list of items in dispute. Since both benefits are part of the NEIU Consortium which also covers other medical insurance, I will include them in the Recommendation for this article.

There was a lengthy debate at the Fact Finding hearing about health insurance cost containment (Section F) and how it can be achieved. The Association stated that it “bent over backwards” to assist the SD in limiting its health insurance costs by, inter alia, urging the teachers to participate in the PPO rather than the Traditional Plan and exploring different carriers, specifically, the NEPA Trust. The Association would participate with the SD in its efforts to lower costs by re-opening the Agreement for the limited purpose of finding a better product at the same or lower price. According to the SD, the NEPA Trust will not solve its high health care cost problems since it knows of several districts which have pulled out of NEPA because of increasing costs. The SD further alleges that NEPA is union run and, as such, is not interested in joining. According to the Association, NEPA is a true Taft-Hartley Trust (ie, all decisions must be made jointly by the Union and Management) and, although premiums increased by 13% recently, in prior years, NEPA members received a rebate in the form of little or no premium payments. Since both parties do not agree on using NEIU to administer the health plan, there is no reason to keep Section G.

Both parties also disagree on their respective comparison groups. The Association uses Lackawanna and Luzerne County school districts which it considers to be the “local market” with no district located more than a ½ hour drive from Old Forge. Of the 16 districts in this market, only 5 teacher contracts contain a premium share. The SD uses 9 districts for its comparison group, most of them, according to the Association, located near the New York state border and not in the more urban, business-oriented environment of the Scranton-Wilkes-Barre Area.

I have done an analysis of the SD’s comparison group to see where Old Forge would stand vis-à-vis others who pay a premium share. Stating only that employees pay a certain percentage of the premium (or a flat amount) does not accurately reflect the situation. Net pay after the premium has been deducted gives more accurate information of the cost to the employee. My intention is to give a general picture with the information provided by the SD in its evidence binder. (The SD provided the relevant parts of actual contracts in its comparison group.) I have taken the cost of the Family premium found in the Association’s evidence binder (The actual premium cost was provided by the SD.), calculated the premium share as a percentage of the premium and salary and subtracted it from the published salary. I have used M+30 at the top step for my calculations. Those employees at the lower steps will, obviously, pay more.

Benton pays the most (18% of the premium or \$2,774 – 4.74% of pay) and nets \$55,750. Blue Ridge pays 7% of the premium or \$1,193 – 1.67% of pay and nets \$70,331. Depending on the medical plan chosen, Canton and Towanda (which is in a pay & step freeze for 2011-12) pay nothing, depending on plan chosen, up to \$910 for Canton (1.30% of pay with a net of \$69,145) and up to \$1,704 for Towanda (2.32% of pay with a net of \$71,604). The remainder of the employees, using the SD’s examples, pay anywhere from \$240 to \$660 per year representing .35% to 1% of pay. Using the SD’s proposals for Old Forge, the teachers would receive a \$68,329 salary in 2011-12 and pay a premium of \$1,625 which is 9.5% of the premium and 2.38% of salary. The SD is offering a \$0 raise for 2011-12.

#### Position of the Parties

#### **Section E. (New) – Association proposal.**

The Association presented no information on the cost of its disability insurance proposal, but, from prior experience, I know that this type of disability insurance is very expensive.

#### Position of the Parties

#### **Section F.**

The current contract language provides for a payment of 50% of the monthly premium if a bargaining unit member elects to opt out of the SD’s health plan. The SD wants to change this amount to \$167 (\$2,004 per year).

#### Discussion

If an employee opts out of the Family plan in 2011-12, (s)he receives \$8,518. If that employee is in the Traditional Plan, where premiums are generally higher, (s)he may receive an amount approaching the full PPO premium. This reimbursement might have made sense when the premium was \$6,000-\$7,000, but it is unusually high compared to any others I have seen. If districts offer this benefit at all, it ranges from \$2,500 to \$3,000 in the SD’s comparison group.

## Recommendation

1. Since it appears that the SD already provides coverage through the NEIU Consortium, all language referencing other carriers should be deleted from the CBA.
2. The employees should not pay a premium share for their health benefits.
3. The opt out amount should be \$3,500.
4. Move the RX Plan to Article XXVIII and re-number subsequent articles. The RX co-pays should be \$10/10/25.
5. Adopt the SD's co-pays for Emergency Room (ER) and Doctor's visits. (Although ER and Doctor's visit co-payments were not listed as items in dispute, the parties, in executive session, agreed to the SD's proposals for these items.)
6. Delete Section G.
7. Do not include the Association's proposal for Section E.

## **Issue #7: Article XXIX – Credits Beyond the Master's**

### Position of the Parties

The Association wants to increase the total of approved credits from 30 to 45 and add language which states that "credit approval shall not be unreasonably denied." The SD wants to add a paragraph which provides that credits earned beyond the Master's degree after July 1<sup>st</sup> of each school year will not be applied to any horizontal movement until the next school year.

### Discussion

Since the salary columns end at M+30, there is currently no reason to extend the credits to 45. The expired CBA allows for Superintendent approval for subjects "...relevant to the teacher's overall responsibility..." This permits approval for courses which are not directly related to the teacher's certification but which the teacher may need because of the many federal/state mandates. I have seen the Association's proposed statement in other contracts and I have had more than one grievance arbitration over the meaning of unreasonableness. The Association presented no evidence to show that this has been a problem in the past.

The SD argues that it can budget more efficiently if it knows well in advance what this payment will be when the teacher moves across the scale. Rarely does actual expense coincide with the budgeted amount. Since a teacher must have prior approval before taking courses, the SD will know (at least for one semester) how many courses it will have to fund and how this will affect horizontal movement.

### Recommendation

1. Do not adopt the Association's proposal.
2. Do not adopt the SD's proposal.

## **Issue #8: Article XXX – Terminal Leave Payment**

### Position of the Parties

The SD wants to delete this article. The Association wants to maintain the status quo.

### Discussion

It is common in school district contracts to provide for payout of unused and accumulated sick days when an employee severs his/her employment (provided there is a minimum amount of service with the district). The expired CBA provides \$50/day with a cap of 300 days.

The SD is correct when it states that this payment provides a bonus for healthy employees and is a negative bias toward sick employees. This is true of all matters in life and some people just have bad luck. Whether or not it is proper to do so, an employee with, say, a backache (an arguably legitimate reason to stay home, especially if that employee is a gym teacher), may come to work, but may stay home if (s)he knows sick days will be lost. Hiring a substitute is more expensive than paying out for unused sick days. The SD again mentioned the difficulty in budgeting for this item (and the

Early Retirement Incentive (ERI)). Admittedly, the District took a big financial hit last year when 17 teachers, most at the top of the scale with long service, retired. There are not many teachers left who are eligible to retire soon and this payment should remain fairly steady, at least for the remainder of the successor Agreement, as it has in the past.

### Recommendation

Maintain the status quo.

### **Issue #9: Article XXXIII – Salaries**

#### Position of the Parties

The Association wants a 2.5% increase plus step in each year of the CBA. The SD is offering a 1.5% increase (inclusive of step) in 2010-11 and a \$0 increase in 2011-12. In 2012-13, the SD is offering a salary increase equivalent to the increase in health care premium above the 2011-12 rate and no increase for employees who opt out of the SD's health care plan. In 2013-14, the SD is offering a salary increase equivalent to \$500 above the increase in health care premium above the 2012-13 rate and a \$500 increase for those who opt out of the SD's health care plan.

#### Discussion

When costing out salary increases in a collective bargaining agreement, the parties usually use the matrix from the last year of the expired contract and move everyone one step up in each succeeding year. This method does not take into account the fact that teachers at the top of the scale may retire and be replaced by less expensive new hires. The difference between this somewhat artificial method and reality is referred to as "attritional savings." The Association will use this difference to argue that a school district can afford its demands. The attritional savings are always calculated by subtracting the salary of the new hire from that of the retiring employee. This calculation does not take into account any ERI, unused SL payments or the possibility that the younger employee may need the more expensive Family health plan. According to the SD, it saved \$365,000 in salary when 17 teachers retired in 2009-10 but this was offset by \$945,000 in ERI bonuses. (These bonuses are paid out over a 5 year period.)

To say that all hell broke loose when the new governor announced his educational budget cuts last fall is an understatement. The amount of reimbursement (both federal and state) on which districts relied to meet expenses was significantly reduced. According to the SD's opening remarks at the Fact Finding hearing, its General Fund has been depleted by 81% over the past 4 years; it is restricted in the amount of taxes it can raise under Act 1; and it is "fighting to stay alive." In addition to salary increases, the mandated minimum PSERS contribution will rise from \$207,228 in 2010-11 to \$616,980 by 2013-14. Currently, retirees and their families, according to the SD, receive lifetime health care after retirement with only a minimal premium share. The cost of health benefits is rising each year by double digits and the opt out payment is excessive. If the current economic trends continue, according to the SD, its continued existence is in question.

According to the Association, the SD's costs are overstated with actual salary increases in the last CBA coming in well below the negotiated settlement. Because about 25% of the higher paid employees retired in 2009-10, the Association calculated an adjusted matrix which lowers costs significantly, bringing the Association's proposal in line with the amount budgeted by the SD.

Both sides presented extensive economic data to support their respective positions (A discrepancy was discovered, at the hearing, between the SD's and Association's financial data. The parties met on August 22<sup>nd</sup> and the matter was resolved.)

There is little I can say here about the current economy and the plight of many school districts which is not extensively addressed by the media on a daily basis. School districts all over Pennsylvania are laying off teachers (where the law permits them to do so), not replacing retiring teachers, asking for wage freezes, cutting programs and increasing class size in an effort to balance their budgets. In this current economic climate, the raises to which both school districts and teachers had become accustomed in the past are no longer available,

### Recommendation

Increase salary by 2.50%, inclusive of step movement, in 2010-11 and 2011-12; increase salary by 2.75%, inclusive of step movement, in 2012-13 and 2013-14.

## **Issue # 10: Article XXXIX – Tuition Reimbursement**

### Position of the Parties

The SD wants to cap the amount that it will reimburse employees for tuition to \$20,000 per year with priority being given first to those teachers working on their Instructional II Certificate, those enrolled in a degree program and then, first come-first served.

### Discussion

The cap of \$20,000, over the life of the Agreement (since it is unlikely that tuition will stay the same or decrease) will allow fewer teachers to avail themselves of this benefit by the end of the contract term. The Association stated, at the hearing, that this benefit, which has long appeared in the majority of teacher contracts, appears for the first time in the current CBA at Old Forge. Tuition reimbursement is also a benefit to the SD since it provides for a more informed staff and a better educated student body.

### Recommendation

Maintain the status quo.

## **Issue #11: Article XXXVII – General Conditions, Sections B, E, F & G**

### Position of the Parties

**Section B.** The SD wants to delete this section which provides professional employees with a private lunch room should there be "...substantial construction...[made] to the present structure...."

### Discussion

The teachers have a private faculty room in the event their private dining room (if such even exists) is not available during a "substantial construction" project.

### Recommendation

Delete this Section

### Position of the Parties

**Section E.** The Association wants to increase the payment for class coverage from the current 1/5 of the substitute rate to \$50 per period.

### Discussion

The SD stated that this payment is currently \$18; the Association alleges it is only \$10. Regular teachers have to fill in for an absent teacher fairly often since the pool of substitutes is small and one cannot always be obtained. Because they are professional employees, the SD thinks no extra payment should be expected. The teachers stated that, when they are called upon to monitor classes in the event of the regular teacher's absence, they are deprived of their contractually mandated preparation time.

### Recommendation

Maintain the status quo.

### Position of the Parties

**Section F.** The SD wants to delete this section. The Association wants to maintain the status quo.

### Discussion

Section F currently provides for a reimbursement of \$40 per day at the end of each year (maximum – 10) for unused SL. The Association argues that the SD will have to pay a higher amount if the teacher accumulates these days until retirement. Cashing out may not be a wise decision on the part of the teacher since no one can predict future illness and the teacher may find himself taking a leave without pay if all sick days have been cashed out at the end of the year. Most teacher contracts pay out for unused sick leave only when the employee leaves the district.

### Recommendation

Delete this section.

### Position of the Parties

**Section G.** The Association wants to add a new section G which provides that the School Board reimburse the teacher for loss of personal property while on duty.

### Discussion

According to the Association, teachers have had their cars vandalized and their houses egged. One presumes that teachers are not officially on duty in their egged homes, even though they may be correcting papers and performing other school-related tasks there. The SD has liability insurance to cover a teacher's property damage if the damage is the fault of the SD. One hopes that the teachers carry homeowners' insurance (which, the last time I looked, is mandatory if the house is mortgaged).

### Recommendation

Do not add this section to the CBA.

## **Issue # 12: Article XXXIX – Preparation Time**

### Position of the Parties

The Association proposes an additional prep period for teaching classes and/or subjects.

### Discussion

Currently, this proposal would affect only the elementary school. The Response to Intervention (RTI) is specifically named by the Association as necessitating this extra time. However, with the proposed wording, it is possible that a teacher now teaching only Algebra I who would be called upon to also teach Algebra II would be able to double his/her prep periods. According to the SD, it would have to hire additional teachers if this proposal was in the CBA, a luxury it can ill afford. The current Agreement provides for one prep period and one lunch period for each 5 periods of instruction on a weekly basis.

### Recommendation

Do not add additional preparation time to the CBA.

## **Issue # 13: Article XLV – Early Retirement Incentive**

### Position of the Parties

The Association wants to increase the annual \$8,500 the SD paid in 2009-10 towards the retiree's "Blue PPO" insurance by \$500 in each year of the Agreement. The SD wants to delete the entire article and rename it "Retiree Health Benefits." Under the SD's proposal, the retiree alone would be eligible for medical and prescription coverage until Medicare age and share equally in the cost for this benefit.

## Discussion

Despite its allegation in its binder presented at the hearing, that the retiree gets his/her medical premiums paid for the entire family for life, the current CBA cuts off this benefit at Medicare age. I see nothing in that article which allows the retiree's family to also receive the benefit. ("Employees retiring...; "...the cost of the retiree's insurance..." This benefit is traditionally reserved only for the retiree. Some contracts allow a family member to also receive it (with the permission of the insurance carrier) but at full cost to that family member(s).

This article also provides for a payment of 80% of the teacher's salary in the last year of service, payable over 5 years following retirement. Early Retirement Incentives are common in teacher contracts. The reason they were introduced was to induce the higher paid employees to leave in order to replace them with lower paid teachers. If 25% of the staff, all of them at the top step, do not retire in one year, this does represent a savings even if the ERI is netted out from the difference between the higher and lower pay. Old Forge found itself in an unfortunate financial position in a bad economy when so many teachers retired in the same year. Since most of its current teachers are on the lower steps of the salary scale, this benefit will not have the same adverse impact that it did in 2009-10 and will, in fact provide a true savings to the District in the future.

## Recommendation

1. Delete references to "Blue PPO."
2. Keep this benefit at \$8,500.
3. This benefit is for the retiree only until (s)he reaches Medicare age.

## Schedules

<b>Old Forge School District 2010-2011</b>
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To Top	Steps	Bachelors	Masters	M+6	M+12	M+18	M+30
17	1	44,215	45,727	46,484	47,239	47,996	48,752
16	2	44,715	46,227	46,984	47,739	48,496	49,252
15	3	45,215	46,727	47,484	48,239	48,996	49,752
14	4	45,715	47,227	47,984	48,739	49,496	50,252
13	5	46,215	47,727	48,484	49,239	49,996	50,752
12	6	46,715	48,227	48,984	49,739	50,496	51,252
11	7	47,215	48,727	49,484	50,239	50,996	51,752
10	8	47,715	49,227	49,984	50,739	51,496	52,252
9	9	49,102	50,614	51,371	52,125	52,883	53,638
8	10	50,487	52,000	52,756	53,513	54,268	55,025
7	11	51,874	53,388	54,143	54,900	55,654	56,412
6	12	53,260	54,771	55,528	56,284	57,040	57,797
5	13	54,519	56,033	56,789	57,545	58,300	59,057
4	14	55,654	57,166	57,924	58,679	59,436	60,191
3	15	56,789	58,300	59,057	59,812	60,569	61,325
2	16	57,797	59,309	60,066	60,821	61,578	62,334
1	17	58,805	60,318	61,074	61,829	62,586	63,341
Top	18	64,159	65,729	66,491	67,250	68,013	68,769

<b>Old Forge School District 2011-2012</b>
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To Top	Steps	Bachelors	Masters	M+6	M+12	M+18	M+30
17	1	44,865	46,377	47,134	47,889	48,646	49,402
16	2	45,365	46,877	47,634	48,389	49,146	49,902
15	3	45,865	47,377	48,134	48,889	49,646	50,402
14	4	46,365	47,877	48,634	49,389	50,146	50,902
13	5	46,865	48,377	49,134	49,889	50,646	51,402
12	6	47,365	48,877	49,634	50,389	51,146	51,902
11	7	47,865	49,377	50,134	50,889	51,646	52,402
10	8	48,365	49,877	50,634	51,389	52,146	52,902
9	9	49,752	51,264	52,021	52,775	53,533	54,288
8	10	51,137	52,650	53,406	54,163	54,918	55,675
7	11	52,524	54,038	54,793	55,550	56,304	57,062
6	12	53,910	55,421	56,178	56,934	57,690	58,447
5	13	55,169	56,683	57,439	58,195	58,950	59,707
4	14	56,304	57,816	58,574	59,329	60,086	60,841
3	15	57,439	58,950	59,707	60,462	61,219	61,975
2	16	58,447	59,959	60,716	61,471	62,228	62,984
1	17	59,455	60,968	61,724	62,479	63,236	63,991
Top	18	64,809	66,379	67,141	67,900	68,663	69,419

**Old Forge School District  
2012-2013**

To Top	Steps	Bachelors	Masters	M+6	M+12	M+18	M+30
17	1	45,550	47,062	47,819	48,574	49,331	50,087
16	2	46,050	47,562	48,319	49,074	49,831	50,587
15	3	46,550	48,062	48,819	49,574	50,331	51,087
14	4	47,050	48,562	49,319	50,074	50,831	51,587
13	5	47,550	49,062	49,819	50,574	51,331	52,087
12	6	48,050	49,562	50,319	51,074	51,831	52,587
11	7	48,550	50,062	50,819	51,574	52,331	53,087
10	8	49,050	50,562	51,319	52,074	52,831	53,587
9	9	50,437	51,949	52,706	53,460	54,218	54,973
8	10	51,822	53,335	54,091	54,848	55,603	56,360
7	11	53,209	54,723	55,478	56,235	56,989	57,747
6	12	54,595	56,106	56,863	57,619	58,375	59,132
5	13	55,854	57,368	58,124	58,880	59,635	60,392
4	14	56,989	58,501	59,259	60,014	60,771	61,526
3	15	58,124	59,635	60,392	61,147	61,904	62,660
2	16	59,132	60,644	61,401	62,156	62,913	63,669
1	17	60,140	61,653	62,409	63,164	63,921	64,676
Top	18	65,494	67,064	67,826	68,585	69,348	70,104

**Old Forge School District  
2013-2014**

To Top	Steps	Bachelors	Masters	M+6	M+12	M+18	M+30
17	1	46,430	47,942	48,699	49,454	50,211	50,967
16	2	46,930	48,442	49,199	49,954	50,711	51,467
15	3	47,430	48,942	49,699	50,454	51,211	51,967
14	4	47,930	49,442	50,199	50,954	51,711	52,467
13	5	48,430	49,942	50,699	51,454	52,211	52,967
12	6	48,930	50,442	51,199	51,954	52,711	53,467
11	7	49,430	50,942	51,699	52,454	53,211	53,967
10	8	49,930	51,442	52,199	52,954	53,711	54,467
9	9	51,317	52,829	53,586	54,340	55,098	55,853
8	10	52,702	54,215	54,971	55,728	56,483	57,240
7	11	54,089	55,603	56,358	57,115	57,869	58,627
6	12	55,475	56,986	57,743	58,499	59,255	60,012
5	13	56,734	58,248	59,004	59,760	60,515	61,272
4	14	57,869	59,381	60,139	60,894	61,651	62,406
3	15	59,004	60,515	61,272	62,027	62,784	63,540
2	16	60,012	61,524	62,281	63,036	63,793	64,549
1	17	61,020	62,533	63,289	64,044	64,801	65,556
Top	18	66,199	67,769	68,531	69,290	70,053	70,809

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_  
Diana S. Mulligan, Fact Finder

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_  
John G. Audi, Esq., For the School District

ACCEPT REJECT

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_  
John J. Holland, Esq., For the Association

ACCEPT REJECT