

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD**

IN THE MATTER OF THE FACT FINDING BETWEEN

POTTSTOWN SCHOOL DISTRICT	:	
	:	
and	:	CASE # ACT 88-10-50-E
	:	
FEDERATION OF POTTSTOWN	:	
TEACHERS #4390 AFTPA/AFL-CIO	:	

FACT FINDING REPORT AND RECOMMENDATION

APPOINTMENT: December 21, 2010
HEARING: January 18, 2011 in Pottstown, PA
REPORT DATE: January 31, 2011

FACT FINDER: Timothy J Brown, Esquire

FOR THE DISTRICT: Stephen H. Kalis, Esquire
Randall C. Schauer, Esquire
Fox Rothschild, LLP

FOR THE FEDERATION: Jared Freedman,
AFT Staff Representative

Introduction

On December 21, 2010, the Pennsylvania Labor Relations Board (PLRB), pursuant to Act 88 of 1992 (Act 88) and the Public Employer Relations Act (PERA), appointed the undersigned as Fact Finder in the impasse between the Pottstown School District (the District) and Federation of Pottstown Teachers #4390 AFTPA/AFL-CIO (the Federation) The Federation represents a unit of approximately 241 teachers employed by the District. The District and Federation are party to a Collective Bargaining Agreement effective by its terms from September 1, 2006 until August 31, 2010. (Referred to herein as the Agreement) The parties met for purposes of negotiating a successor agreement on various occasions, the first occurring on October 13, 2009 and the most recent on January 10, 2011, some of which were attended by a mediator. Although the parties reached tentative agreements on several issues, including a two year term for their new agreement, they were unable to reach agreement on all issues raised during the course of bargaining. As a consequence, the Federation initiated the Request for Fact Finding herein. Following notice of his appointment the Fact Finder communicated with the parties on a number of occasions in a continuing effort to narrow the issues and resolve other hearing-related matters. On January 18, 2011 a formal fact finding hearing was held before the undersigned in Pottstown, Pennsylvania, at which time the parties were given the opportunity to present the Fact Finder testimony, documentary evidence and oral argument relating to all outstanding issues.

The instant impasse involves six unresolved issues. The Report contains “recommendations” for these issues which constitutes the settlement proposal upon which the parties are now required to act, as directed by statute and PLRB regulations. Pursuant to statutory authority, this Report will be released to the public if not accepted. A vote to accept the Report does not constitute agreement with, or endorsement of, the rationales contained herein, but rather, represent only an agreement to resolve the issues by adopting the recommendations. **The parties are directed to review the Report and within ten days of its issuance, notify the PLRB of their decision to accept or reject the recommendations.**

Issues and Introduction

Based upon representations made by the parties to the Fact Finder, the following issues are unresolved between the parties:

- 1) Salaries
- 2) Health Benefits
- 3) Retirement Incentive
- 4) Tuition Reimbursement
- 5) Hourly Rate
- 6) Co-Curricular

Upon hearing the parties on the issues separating them and reviewing their submissions, I am convinced that they can reach full agreement if both parties choose to make relatively small steps toward, rather than away from, the positions of the other party. After careful consideration of the arguments and full and close study of the exhaustive submissions on the issues by the parties, the follow recommendations are offered:

1) Salaries

The Issues and Positions of the Parties

The District proposes fixing the salary schedule at the 2009-2010 levels of the prior agreement for the first year of the new agreement – the 2010-2011 school year - and giving a 2.82% increase in total professional salary expenses paid as of August 31, 2010 inclusive of step for the 2011-2012 school year. The District’s 2011-2012 offer would result in salary step movement, plus .82% in new money for salary increases. The Federation

proposes that the 2009-2010 salary schedule be continued and a step increase effective with the 14th pay of the year (with stipend equivalents for teachers at the top of scale) for the first year of the Agreement and step increases and an additional 1% to be inserted into the salary schedule by the Federation for the second year of the Agreement.

To support its position the District sites current general economic conditions and the financial challenges resulting from increased costs, such as retirement contributions, medical insurance and state mandates, combined with substantial reductions in receipts from taxes and other local, state and federal revenue sources. The Federation maintains that notwithstanding the economic climate, the District can afford to grant the very reasonable wage increases proposed by the Federation, particularly where, as here, the District's payroll has been substantially reduced by lowering of the number of professional employees in the bargaining unit through attrition.

Recommendations

That the District is challenged by the current economic realities cannot be reasonably subject to question. Similarly it cannot be the subject of honest debate that employees, including the teachers involved here, have been and continue to face difficult personal economic conditions. The times demand prudence by all concerned. I believe it is a prudent and good investment for the District to recognize the valuable contribution of teachers to the mission of the District by granting wage increases and find that the realistic proposals by the Federation have been offered in a spirit of collaboration, are responsible and reflect a commendable recognition of the interests of the community and District. As a consequence, and noting that I am recommending the District's proposal relating to health insurance, the attached wage scales reflect my salary recommendations. For the 2010-2011 school year I recommend that bargaining unit members receive a step increase effective with the 14th pay of the year and that teachers at the top of scale receive stipend equivalent (equal to the average percentage increase received by teacher step increases for the applicable ½ school year). For the 2011-1012 school year, I recommend step increases and an additional 1% salary schedule increase.

2) Health Benefits

The Issues and Positions of the Parties

The 2006-2010 Agreement provided Independence Blue Cross, Personal Choice 10/20/70 with a prescription drug plan of 10/35/50 as the core group health insurance plan. During the final year of the Agreement employees were required to contribute \$50 per pay for health insurance and 5% of the cost of the prescription plan. The Agreement also permitted bargaining unit members to buy up to Blue Cross Personal Choice 5 and Personal Choice 20 plans by paying, in addition to \$50 per pay employee contributions, 100% of the differences in premium cost between the core plan and buy-up plans. The District proposes that the Blue Cross and Pennsylvania Blue Shield Direct Point of Service Plan C1F101 Plan (also referred to as the Keystone C1F1 plan) with a prescription drug plan of 10/35/50 become the core plan for unit employees (as it has become for other employees of the District). For the first year of the Agreement the District proposes an employee per pay contribution of \$50.00 plus 5% of the cost of the prescription plan. Two buy-up plans - Personal Choice C2-F2-02 and Personal Choice 01/20/70 - would also be available and employees would be required to pay, in addition to the required \$50 per pay contributions, 100% of the differences in premium cost between the core plan and buy-up plans. Under the District's proposal the same core and buy-up health insurance options would be offered for the second year of the Agreement and the employee contribution would increase to \$70.00 per pay.

The Federation proposes that changes in health insurance benefits would take effect at the beginning of the 14th pay of the first year of the Agreement, at which time the core plan would become Personal Choice C2-F2-02. Under the Federation's proposal, during the remainder of the first year of the Agreement, employees would be required to contribute \$90.00 per pay for the core plan. The Federation also proposes that the Keystone C1F1 plan be offered as a step-down plan with per pay contributions of \$50.00 and that the Personal

Choice 10/20/70 plan be offered as a step-up plan with an employee contribution of \$90.00 per pay plus 100% of the difference in cost between it and the Core plan. For the second year of the Agreement the Federation proposes the same core, step-down and step-up plans with \$100.00, \$60.00 and \$100.00 (plus the difference) per pay employee contributions respectively. The Federation also proposes a 10/35/50 prescription drug plan with no employee contribution.

The District maintains that the cost of health insurance has risen tremendously over the past few years and estimated increases in the next two years continue that trend. Even with the C1F1 point of service plan and the cost advantage it has over the PC 10/20/70 plan, because of increase in premiums costs the District will continue to pay more in premiums each of the two years of the Agreement. The C1F1 plan allows the District to spend less than the anticipated premiums of other plans while offering employees good health care value. The Federation asserts that it has attempted to address the cost concerns of the District by proposing an employee per pay contribution increase from \$50.00 to \$90.00 for the Personal Choice C2-F2-02 plan; a PPO plan that provides benefits throughout the country for employees and has a local network preferred by bargaining unit members.

Recommendations

All parties find themselves faced with ever increasing health care and insurance costs. The District's cost concern is real and its offer is consistent with an honest attempt to do what it can to slow the pace of the insurance cost increases it has recently experienced and is presently facing. Having closely reviewed the offerings of the various insurance plans, I am not convinced that the difference between the coverage of the plans is significant to the average employee. I recognize that the point of service plan may cause coverage issues to individual employees in special circumstances, such as those involving children of employees attending college in other states, but I do not see those individual and isolated interests as outweighing the collective health care and financial interest of other unit employees, other district employees, the District itself and school district taxpayers. As a consequence, I recommend the District's Health benefit proposal.

3) Retirement Incentive

The Issue and Positions of the Parties

The Agreement provided for a Retirement Benefit Program (offering retirement incentives) during the 2007-2008 and 2009-2010 school years. The District proposes to offer the Retirement Benefit Program in the second year of the new agreement. The Federation proposes that the program be offered in both years of the agreement, to change the health insurance language to reflect a change in the Core plan and remove certain language regarding husband and wife.

Recommendations

I recommend a continuation of the every-other year offer of the Retirement Benefit Plan as proposed by the District.

4) Tuition Reimbursement

The Issue and Positions of the Parties

The Agreement currently provides for reimbursement of actual tuition costs for graduate courses or courses approved in writing by the Superintendent or designee. The current yearly tuition reimbursement maximum per teacher is \$3,000.00. The District proposes to continue the \$3,000.00 maximum payment for the first year of the agreement and increase the maximum to \$3,100.00 for the second year of the agreement. At the

hearing the Federations offered the same proposal as the District; an increase in the maximum yearly, per teacher tuition to \$3,100.00 for the 2011-2012 school year.

Recommendation

I recommend a maximum yearly, per teacher reimbursement of \$3,000.00 for the 2010-2011 school year, and a maximum yearly, per teacher reimbursement of \$3,100.00 for the 2011-2012 school year.

5) Hourly Rate

The Issue and Positions of the Parties

The Agreement currently provides that teachers employed for summer school, evening school, homebound, and curriculum development work performed during other than regular working hours shall be paid at the hourly rate of \$29.00. The District proposes continuing the \$29.00 per hour rate for the 2010-2011 school year and increasing the rate to \$30.00 per hour for the 2011-2012 school year. At the hearing the Federation offered the same proposal as the District; continuing the \$29.00 per hour rate for the 2010-2011 school year and increasing the rate to \$30.00 per hour for the 2011-2012 school year.

Recommendations

I recommend that a \$29.00 per hour rate for the 2010-2011 school year and increasing the rate to \$30.00 per hour for the 2011-2012 school year.

6) Co-Curricular

The Agreement provides a Co-Curricular salary schedule. The District proposes no increase in co-curricular salaries for the 2010-2011 school year and a 1% increase in co-curricular salaries for the 2011-2012 school year. At the hearing the Federation offered the same proposal as the District; no increase in co-curricular salaries for the 2010-2011 school year and a 1% increase in co-curricular salaries for the 2011-2012 school year.

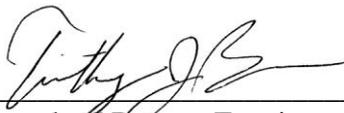
Recommendations

I recommend no increase in co-curricular salaries for the 2010-2011 school year, and a 1% increase in co-curricular salaries for the 2011-2012 school year.

Please note

that the cover letter to this Report and Recommendation summarizes the responsibilities of the parties to notify the PLRB of their acceptance or rejections of this Recommendation and should be given careful attention.

Dated: January 31, 2011



Timothy J Brown, Esquire
P.O. Box 332
Narberth, PA 19072

Attachment to Act 88 Fact Finding report Case ACT 88 10-50-E

2010-2011

STEP	STD	BACH	B+15	Masters	M+15	M+30
A	\$ 43,335	\$ 43,335	\$ 43,957	\$ 45,485	\$ 47,440	\$ 48,878
B	\$ 43,335	\$ 43,335	\$ 43,957	\$ 45,485	\$ 47,440	\$ 48,878
1	\$ 43,335	\$ 43,335	\$ 43,957	\$ 45,485	\$ 47,440	\$ 48,878
2	\$ 43,609	\$ 43,609	\$ 44,209	\$ 45,796	\$ 47,784	\$ 49,359
3	\$ 43,921	\$ 43,921	\$ 44,545	\$ 46,184	\$ 48,205	\$ 49,859
4	\$ 44,262	\$ 44,262	\$ 44,955	\$ 46,608	\$ 48,653	\$ 50,364
5	\$ 44,684	\$ 44,684	\$ 45,396	\$ 47,092	\$ 49,158	\$ 51,121
6	\$ 45,184	\$ 45,184	\$ 45,951	\$ 47,601	\$ 49,689	\$ 52,951
7	\$ 45,745	\$ 45,745	\$ 46,525	\$ 48,145	\$ 50,235	\$ 54,917
8	\$ 46,285	\$ 46,285	\$ 47,172	\$ 48,949	\$ 50,811	\$ 56,906
9	\$ 46,677	\$ 46,677	\$ 47,871	\$ 49,929	\$ 51,445	\$ 58,876
10	\$ 47,890	\$ 47,890	\$ 49,169	\$ 51,248	\$ 52,839	\$ 60,844
11	\$ 49,039	\$ 49,039	\$ 50,383	\$ 52,750	\$ 54,554	\$ 62,803
12	\$ 50,199	\$ 50,293	\$ 51,562	\$ 54,358	\$ 57,341	\$ 64,921
13	\$ 52,268	\$ 52,772	\$ 53,060	\$ 58,681	\$ 61,909	\$ 70,024
14	\$ 56,380	\$ 57,151	\$ 58,515	\$ 64,953	\$ 67,929	\$ 75,219
15	\$ 64,938	\$ 65,368	\$ 65,982	\$ 73,020	\$ 75,731	\$ 80,773
16	\$ 72,367	\$ 72,828	\$ 75,347	\$ 82,549	\$ 85,184	\$ 87,395

2011-2012**1%**

STEP	STD	BACH	B+15	Masters	M+15	M+30
A	\$ 43,768	\$ 43,768	\$ 44,397	\$ 45,940	\$ 47,914	\$ 49,367
B	\$ 43,768	\$ 43,768	\$ 43,397	\$ 45,940	\$ 47,914	\$ 49,367
1	\$ 43,768	\$ 43,768	\$ 43,397	\$ 45,940	\$ 47,914	\$ 49,467
2	\$ 44,045	\$ 44,045	\$ 44,651	\$ 46,254	\$ 48,262	\$ 49,853
3	\$ 44,360	\$ 44,360	\$ 44,990	\$ 46,646	\$ 48,687	\$ 50,358
4	\$ 44,705	\$ 44,705	\$ 45,405	\$ 47,074	\$ 49,140	\$ 50,868
5	\$ 45,131	\$ 45,131	\$ 45,845	\$ 47,563	\$ 49,650	\$ 51,632
6	\$ 45,636	\$ 45,636	\$ 46,411	\$ 48,077	\$ 50,186	\$ 53,481
7	\$ 46,202	\$ 46,202	\$ 46,990	\$ 48,626	\$ 50,737	\$ 55,466
8	\$ 46,748	\$ 46,748	\$ 47,644	\$ 49,438	\$ 51,319	\$ 57,475
9	\$ 47,144	\$ 47,144	\$ 48,350	\$ 50,428	\$ 51,959	\$ 59,465
10	\$ 48,369	\$ 48,369	\$ 49,661	\$ 51,760	\$ 53,367	\$ 61,452
11	\$ 49,529	\$ 49,520	\$ 50,887	\$ 53,276	\$ 55,100	\$ 63,431
12	\$ 50,701	\$ 50,796	\$ 52,078	\$ 54,902	\$ 57,914	\$ 65,570
13	\$ 52,791	\$ 53,300	\$ 53,591	\$ 59,268	\$ 62,528	\$ 70,724
14	\$ 56,944	\$ 57,723	\$ 59,100	\$ 65,603	\$ 68,608	\$ 75,971
15	\$ 65,587	\$ 66,022	\$ 66,642	\$ 73,750	\$ 76,488	\$ 81,581
16	\$ 73,091	\$ 73,556	\$ 76,100	\$ 83,374	\$ 86,036	\$ 88,269